

Verkkokauppa.com Oyj COMPANY RELEASE 12 February 2018 at 9:05

Verkkokauppa.com Oyj IFRS comparative information

Verkkokauppa.com Oyj (the “Company”) announced on 12 December 2018 in its company release that it will prepare its financial statements release and annual financial statements in accordance with the International Financial Reporting Standards (IFRS) for the period ended 31, December 2018. Previously the Company has prepared its financial statements, including interim reports, in accordance with the Finnish Accounting Standards (FAS).

The financial information in this release is based on IFRS standards effective as at 31, December 2018, however so that IFRS 16 Leases has been applied early. Verkkokauppa.com Oyj has adopted IFRS 16 fully retrospectively. IFRS 1 -standard (First-time Adoption of International Financial Reporting Standards) has been applied in the transition. Verkkokauppa.com Oyj has not applied any of the exemptions allowed by IFRS 1 in the transition.

Key differences to the Finnish Accounting Standards resulting from the transition to IFRS are described in accompanying notes to this company release. Additional information on the historical financial information prepared in accordance with FAS, is available in the audited historical financial statements and the unaudited interim financial information of the Company on the Company’s website at www.verkkokauppa.com.

The financial information presented in this release is unaudited except for the income statement and statement of financial position prepared in accordance with FAS for the period ended 31, December 2017 and for the statement of financial position prepared in accordance with FAS for the period ended 31 December 2016.

Financial information

Verkkokauppa.com Oyj has prepared the following unaudited IFRS financial information to provide its investors comparative information on Verkkokauppa.com Oyj’s income statement, financial position and key figures for the year ended 31 December 2017, for the interim periods in 2017 and 2018 and the financial position as at the IFRS transition date 1 January 2017.

Income statement 1 July-30 September 2018 and 1 January-30 September 2018

EUR thousand	Reference	1 Jul-30 Sept 2018 FAS	Effect of IFRS adjustments, total	1 Jul-30 Sept 2018 IFRS	1 Jan-30 Sept 2018 FAS	Effect of IFRS adjustments, total	1 Jan-30 Sept 2018 IFRS
Revenue	1a)	116,772	102	116,874	321,499	482	321,981
Other operating income		121	-	121	214	-	214
Materials and services	4b)	-99,397	-119	-99,517	273,173	279	272,894
Employee benefit expenses	1b)	-6,769	-274	-7,043	-21,147	-800	-21,947
Depreciation and amortisation	2)	-306	-955	-1,261	-962	-2,869	-3,831
Other operating expenses	1a), 1b), 2)	-7,024	1,550	-5,474	-20,626	4,481	-16,145
Operating profit		3,397	304	3,702	5,804	1,573	7,377
Finance income		1	-	1	7	-	7
Finance costs	2)	-47	-362	-410	-73	-1,198	-1,271
Profit before income taxes		3,351	-58	3,293	5,738	375	6,112
Income taxes	5)	-700	21	-678	-1,167	-55	-1,222
Profit for the period		2,652	-37	2,615	4,571	320	4,891
Profit for the period attributable to							
Equity holders of the company		2,652		2,615	4,571		4,891
Earnings per share calculated from the profit attributable to equity holders							
Earnings per share, basic and diluted (EUR)		0.06		0.06	0.10		0.11

Statement of other comprehensive income 1 July-30 September 2018 and 1 January-30 September 2018

EUR thousand	Reference	1 Jul - 30 Sept 2018 FAS	Effect of IFRS adjustments, total	1 Jul 2018 - 30 Sept 2018 IFRS	1 Jan-30 Sept 2018 FAS	Effect of IFRS adjustments, total	1 Jan-30 Sept 2018 IFRS
Profit for the period		2,652		2,615	4,571		4,891
Items that will not be reclassified to profit or loss							
Changes in fair values of equity investments	3b)		-23	-23		-23	-23
Other comprehensive income after taxes, total			-23	-23		-23	-23
Comprehensive income for the period		2,652	-23	2,592	4,571	-23	4,868
Comprehensive income for the period							
Equity holders of the company		2,652		2,592	4,571		4,868

Statement of financial position 30 September 2018

EUR thousand	Reference	30 Sept 2018 FAS	Effect of IFRS adjustments	30 Sept 2018 IFRS
Non-current assets				
Intangible assets		909	-	909
Property, plant and equipment		2,066	-	2,066
Right-of-use assets	2)	-	22,670	22,670
Equity investments	3b)	275	-	275
Deferred tax assets	5)	-	1,131	1,131
Trade receivables	3a)	1,707	-	1,707
Other non-current receivables		437	-	437
Non-current assets, total		5,394	23,801	29,194
Current assets				
Inventories	4b)	52,258	-398	51,861
Trade receivables	3a)	13,746	-	13,746
Other receivables		927	-	927
Income tax receivables	1c)		778	778
Accrued income	1c)	7,391	-778	6,613
Cash and cash equivalents		25,975	-	25,975
Current assets, total		100,297	-398	99,900
Total assets		105,691	23,403	129,094
Equity				
Share capital		100	-	100
Treasury shares	1d)	-	-502	-502
Fair value reserve	3c)	-	-33	-33
Invested non-restricted equity fund		25,554	-	25,554
Retained earnings	1), 2), 3), 4), 5)	8,678	-3,509	5,169
Profit for the period		4,571	320	4,891
Total equity		38,902	-3,724	35,179
Non-current liabilities				
Lease liabilities	2)	-	23,616	23,616
Deferred tax liabilities	5)	-	9	9
Depreciation difference	4a)	47	-47	-
Provisions		675	-	675
Non-current liabilities, total		722	23,578	24,300
Current liabilities				
Lease liabilities	2)	-	3,698	3,698
Advance payments received		2,664	-	2,664
Trade payables		48,173	-	48,173
Other current liabilities		4,900	-	4,900
Accrued liabilities	2)	10,330	-149	10,181
Current liabilities, total		66,067	3,549	69,615
Total liabilities		66,789	27,127	93,916
Total equity and liabilities		105,691	23,403	129,094

Income statement 1 April-30 June 2018 and 1 January-30 June 2018

EUR thousand	Reference	1 Apr - 30 June 2018 FAS	Effect of IFRS adjustments, total	1 Apr - 30 June 2018 IFRS	1 Jan - 30 June 2018 FAS	Effect of IFRS adjustments, total	1 Jan - 30 June 2018 IFRS
Revenue	1a)	102,214	200	102,414	204,727	380	205,107
Other operating income		73	-	73	93	-	93
Materials and services	4b)	-87,593	204	-87,390	173,776	399	173,377
Employee benefit expenses	1b)	-7,292	-253	-7,545	-14,379	-526	-14,904
Depreciation and amortisation	2)	-325	-955	-1,279	-656	-1,914	-2,571
Other operating expenses	1a), 1b), 2)	-6,702	1,443	-5,260	-13,602	2,930	-10,671
Operating profit		374	639	1,012	2,407	1,269	3,676
Finance income		2	-	2	5	-	5
Finance costs	2)	-13	-413	-426	-26	-836	-862
Profit before income taxes		363	225	588	2,387	433	2,819
Income taxes	5)	-77	-49	-125	-467	-76	-543
Profit for the period		286	177	462	1,919	357	2,276
Profit for the period attributable to							
Equity holders of the company		286		462	1,919		2,276
Earnings per share calculated from the profit attributable to equity holders							
Earnings per share, basic and diluted (EUR)		0.01		0.01	0.04		0.05

Statement of other comprehensive income 1 April-30 June 2018 and 1 January-30 June 2018

EUR thousand	Reference	1 Apr - 30 June 2018 FAS	Effect of IFRS adjustments, total	1 Apr - 30 June 2018 IFRS	1 Jan - 30 June 2018 FAS	Effect of IFRS adjustments, total	1 Jan - 30 June 2018 IFRS
Profit for the period		286		462	1,919		2,276
Comprehensive income for the period		286	-	462	1,919	-	2,276
Comprehensive income for the period							
Equity holders of the company		286		462	1,919		2,276

Statement of financial position 30 June 2018

EUR thousand	Reference	30 June 2018 FAS	Effect of IFRS adjustments	30 June 2018 IFRS
Non-current assets				
Intangible assets		884	-	884
Property, plant and equipment		2,146	-	2,146
Right-of-use assets	2)	-	23,537	23,537
Equity investments	3b)	316	-23	294
Deferred tax assets	5)	-	1,106	1,106
Trade receivables	3a)	1,528	-	1,528
Other non-current receivables		437	-	437
Non-current assets, total		5,312	24,620	29,932
Current assets				
Inventories	4b)	53,556	-278	53,278
Trade receivables	3a)	11,481	-	11,481
Other receivables		724	-	724
Income tax receivables	1c)		755	755
Accrued income	1c)	6,283	-755	5,528
Cash and cash equivalents		21,302	-	21,302
Current assets, total		93,346	-278	93,068
Total assets		98,657	24,342	122,999
Equity				
Share capital		100	-	100
Treasury shares	1d)	-	-502	-502
Fair value reserve	3c)	-	-18	-18
Invested non-restricted equity fund		25,493	-	25,493
Retained earnings	1), 2), 3), 4), 5)	10,747	-3,535	7,212
Profit for the period		1,919	357	2,276
Total equity		38,259	-3,699	34,560
Non-current liabilities				
Lease liabilities	2)	-	24,444	24,444
Deferred tax liabilities	5)	-	9	9
Depreciation difference	4a)	47	-47	-
Provisions		588	-	588
Non-current liabilities, total		635	24,406	25,041
Current liabilities				
Lease liabilities	2)	-	3,772	3,772
Advance payments received		2,365	-	2,365
Trade payables		41,868	-	41,868
Other current liabilities		4,318	-	4,318
Accrued liabilities	2)	11,212	-138	11,075
Current liabilities, total		59,764	3,634	63,398
Total liabilities		60,399	28,041	88,440
Total equity and liabilities		98,657	24,342	122,999

Income statement 1 January-31 March 2018

EUR thousand	Reference	1 Jan - 31 March 2018 FAS	Effect of IFRS adjustments, total	1 Jan - 31 March 2018 IFRS
Revenue	1a)	102,513	180	102,693
Other operating income		20	-	20
Materials and services	4b)	-86,183	195	-85,987
Employee benefit expenses	1b)	-7,086	-273	-7,359
Depreciation and amortisation	2)	-332	-960	-1,291
Other operating expenses	1a), 1b), 2)	-6,899	1,488	-5,412
Operating profit		2,033	630	2,663
Finance income		4	-	4
Finance costs	2)	-13	-423	-436
Profit before income taxes		2,024	208	2,232
Income taxes	5)	-391	-27	-418
Profit for the period		1,633	180	1,813
Profit for the period attributable to				
Equity holders of the company		1,633		1,813
Earnings per share calculated from the profit attributable to equity holders				
Earnings per share, basic and diluted (EUR)		0.04		0.04

Statement of other comprehensive income 1 January-31 March 2018

EUR thousand	Reference	1 Jan - 31 March 2018 FAS	Effect of IFRS adjustments, total	1 Jan - 31 March 2018 IFRS
Profit for the period		1,633		1,813
Comprehensive income for the period		1,633	-	1,813
Comprehensive income for the period				
Equity holders of the company		1,633		1,813

Statement of financial position 31 March 2018

EUR thousand	Reference	31 March 2018 FAS	Effect of IFRS adjustments	31 March 2018 IFRS
Non-current assets				
Intangible assets		868	-	868
Property, plant and equipment		2,284	-	2,284
Right-of-use assets	2)	-	24,377	24,377
Equity investments	3b)	316	-23	294
Deferred tax assets	5)	-	1,154	1,154
Trade receivables	3a)	1,475	-	1,475
Other non-current receivables		437	-	437
Non-current assets, total		5,380	25,509	30,889
Current assets				
Inventories	4b)	49,663	-482	49,181
Trade receivables	3a)	10,832	-	10,832
Other receivables		1,146	-	1,146
Income tax receivables	1c)	-	220	220
Accrued income	1c)	4,873	-220	4,652
Cash and cash equivalents		27,985	-	27,985
Current assets, total		94,500	-482	94,018
Total assets		99,880	25,027	124,907
Equity				
Share capital		100	-	100
Fair value reserve	3c)	-	-18	-18
Invested non-restricted equity fund		25,493	-	25,493
Retained earnings	1), 2), 3), 4), 5)	13,274	-4,034	9,239
Profit for the period		1,633	180	1,813
Total equity		40,500	-3,873	36,627
Non-current liabilities				
Lease liabilities	2)	-	25,241	25,241
Deferred tax liabilities	5)	-	9	9
Depreciation difference	4a)	47	-47	-
Provisions		567	-	567
Non-current liabilities, total		614	25,203	25,817
Current liabilities				
Lease liabilities	2)	-	3,842	3,842
Advance payments received		2,303	-	2,303
Trade payables		42,627	-	42,627
Other current liabilities		2,639	-	2,639
Accrued liabilities	2)	11,197	-145	11,052
Current liabilities, total		58,766	3,696	62,462
Total liabilities		59,380	28,899	88,280
Total equity and liabilities		99,880	25,027	124,907

Income statement 1 October-31 December 2017 and 1 January-31 December 2017

EUR thousand	Reference	1 Oct-31 Dec 2017 FAS	Effect of IFRS adjustments, total	1 Oct-31 Dec 2017 IFRS	1 Jan-31 Dec 2017 FAS	Effect of IFRS adjustments, total	1 Jan-31 Dec 2017 IFRS
Revenue	1a)	127,398	12	127,410	431,804	66	431,870
Other operating income		19	-	19	81	-	81
Materials and services	4b)	-107,064	-257	-107,321	-369,485	65	-369,420
Employee benefit expenses	1b)	-7,263	-289	-7,552	-25,042	-1,042	-26,084
Depreciation and amortisation	2)	-366	-915	-1,281	-1,352	-3,232	-4,584
Other operating expenses	1a), 1b), 2)	-7,156	1,651	-5,505	-24,305	5,902	-18,403
Operating profit		5,568	203	5,770	11,701	1,759	13,460
Finance income		342	-312	30	434	-312	123
Finance costs	2)	-9	-423	-431	-51	-1,720	-1,771
Profit before income taxes		5,901	-532	5,369	12,084	-272	11,812
Appropriations	4a)	28	-28	-	28	-28	-
Income taxes	5)	-881	19	-862	-2,330	-33	-2,363
Profit for the period		5,048	-541	4,508	9,782	-333	9,449
Profit for the period attributable to							
Equity holders of the company		5,048		4,508	9,782		9,449
Earnings per share calculated from the profit attributable to equity holders							
Earnings per share, basic and diluted (EUR)		0.11		0.10	0.22		0.21

Statement of other comprehensive income 1 October-31 December 2017 and 1 January-31 December 2017

EUR thousand	Reference	1 Oct-31 Dec 2017 FAS	Effect of IFRS adjustments, total	1 Oct-31 Dec 2017 IFRS	1 Jan-31 Dec 2017 FAS	Effect of IFRS adjustments, total	1 Jan-30 Sept 2017 IFRS
Profit for the period		5,048		4,508	9,782		9,449
Items that will not be reclassified to profit or loss							
Realized changes in fair values of equity investments	3)		308	308		308	308
Changes in fair values of equity investments	3b)		-19	-19		-19	-19

Other comprehensive income after taxes, total		289	289		289	289
Comprehensive income for the period	5,048	289	4,796	9,782	289	9,738
Comprehensive income for the period						
Equity holders of the company	5,048		4,796	9,782		9,738

Statement of financial position 31 December 2017

EUR thousand	Reference	31 Dec 2017 FAS	Effect of IFRS adjustments	31 Dec 2017 IFRS
Non-current assets				
Intangible assets		970	-	970
Property, plant and equipment		1,976	-	1,976
Right-of-use assets	2)	-	24,589	24,589
Equity investments	3b)	316	-23	294
Deferred tax assets	5)	-	1,182	1,182
Trade receivables	3a)	1,039	-	1,039
Other non-current receivables		437	-	437
Non-current assets, total		4,739	25,748	30,487
Current assets				
Inventories	4b)	47,689	-677	47,012
Trade receivables	3a)	11,396	-	11,396
Other receivables		1,242	-	1,242
Income tax receivables	1c)		115	115
Accrued income	1c)	6,933	-115	6,818
Cash and cash equivalents		51,878	-	51,878
Current assets, total		119,138	-677	118,461
Total assets		123,877	25,071	148,948
Equity				
Share capital		100	-	100
Fair value reserve	3c)	-	-18	-18
Invested non-restricted equity fund		25,493	-	25,493
Retained earnings	1), 2), 3), 4), 5)	5,475	-3,702	1,773
Profit for the period		9,782	-333	9,449
Total equity		40,850	-4,053	36,797
Non-current liabilities				
Lease liabilities	2)	-	25,507	25,507
Deferred tax liabilities	5)	-	9	9
Depreciation difference	4a)	47	-47	-
Provisions		637	-	637
Non-current liabilities, total		684	25,469	26,154
Current liabilities				
Lease liabilities	2)	-	3,808	3,808
Advance payments received		2,558	-	2,558
Trade payables		63,149	-	63,149
Other current liabilities		4,626	-	4,626
Accrued liabilities	2)	12,009	-153	11,856
Current liabilities, total		82,343	3,654	85,997
Total liabilities		83,027	29,124	112,151
Total equity and liabilities		123,877	25,071	148,948

Income statement 1 July-30 September 2017 and 1 January-30 September 2017

EUR thousand	Reference	1 Jul-30 Sept 2017 FAS	Effect of IFRS adjustments, total	1 Jul-30 Sept 2017 IFRS	1 Jan-30 Sept 2017 FAS	Effect of IFRS adjustments, total	1 Jan-30 Sept 2017 IFRS
Revenue	1a)	105,420	16	105,436	304,406	55	304,460
Other operating income		23	-	23	62	-	62
Materials and services	4b)	-91,547	-155	-91,702	262,421	322	262,099
Employee benefit expenses	1b)	-5,695	-278	-5,973	-17,779	-753	-18,532
Depreciation and amortisation	2)	-356	-812	-1,168	-985	-2,317	-3,303
Other operating expenses	1a), 1b), 2)	-6,113	1,496	-4,617	-17,149	4,251	-12,898
Operating profit		1,731	267	1,998	6,133	1,557	7,690
Finance income		31	-	31	92	-	92
Finance costs	2)	-23	-427	-450	-43	-1,297	-1,340
Profit before income taxes		1,739	-160	1,579	6,183	260	6,442
Income taxes	5)	-353	32	-321	-1,449	-52	-1,501
Profit for the period		1,386	-128	1,258	4,734	208	4,941
Profit for the period attributable to							
Equity holders of the company		1,386		1,258	4,734		4,941
Earnings per share calculated from the profit attributable to equity holders							
Earnings per share, basic and diluted (EUR)		0.03		0.03	0.11		0.11

Statement of other comprehensive income 1 July-30 September 2017 and 1 January-30 September 2017

EUR thousand	Reference	1 Jul-30 Sept 2017 FAS	Effect of IFRS adjustments, total	1 Jul-30 Sept 2017 IFRS	1 Jan-30 Sept 2017 FAS	Effect of IFRS adjustments, total	1 Jan-30 Sept 2017 IFRS
Profit for the period		1,386		1,258	4,734		4,941
Comprehensive income for the period		1,386	-	1,258	4,734	-	4,941
Comprehensive income for the period							
Equity holders of the company		1,386		1,258	4,734		4,941

Statement of financial position 30 September 2017

EUR thousand	Reference	30 Sept 2017 FAS	Effect of IFRS adjustments	30 Sept 2017 IFRS
Non-current assets				
Intangible assets		1,036	-	1,036
Property, plant and equipment		1,767	-	1,767
Right-of-use assets	2)	-	23,185	23,185
Equity investments	3b)	282	1	283
Deferred tax assets	5)	-	1,168	1,168
Trade receivables	3a)	771	-	771
Other non-current receivables		438	-	438
Non-current assets, total		4,294	24,354	28,648
Current assets				
Inventories	4b)	46,954	-420	46,534
Trade receivables	3a)	10,273	-32	10,241
Other receivables		664	-	664
Income tax receivables	1c)		116	116
Accrued income	1c)	5,116	-116	5,000
Cash and cash equivalents		29,860	-	29,860
Current assets, total		92,867	-452	92,415
Total assets		97,160	23,902	121,063
Equity				
Share capital		100	-	100
Fair value reserve	3c)	-	1	1
Invested non-restricted equity fund		25,493	-	25,493
Retained earnings	1), 2), 3), 4), 5)	7,413	-4,009	3,404
Profit for the period		4,734	208	4,941
Total equity		37,739	-3,801	33,939
Non-current liabilities				
Lease liabilities	2)	-	24,584	24,584
Deferred tax liabilities	5)	-	15	15
Depreciation difference	4a)	75	-75	-
Provisions		810	-	810
Non-current liabilities, total		885	24,524	25,409
Current liabilities				
Lease liabilities	2)	-	3,250	3,250
Advance payments received		2,700	-	2,700
Trade payables		39,895	-	39,895
Other current liabilities		3,823	-	3,823
Accrued liabilities	2)	12,118	-71	12,047
Income tax liabilities		-	-	-
Current liabilities, total		58,536	3,179	61,715
Total liabilities		59,421	27,703	87,124
Total equity and liabilities		97,160	23,902	121,063

Income statement 1 April-30 June 2017 and 1 January-30 June 2017

EUR thousand	Reference	1 Apr-30 June 2017 FAS	Effect of IFRS adjustments, total	1 Apr-30 June 2017 IFRS	1 Jan-30 June 2017 FAS	Effect of IFRS adjustments, total	1 Jan-30 June 2017 IFRS
Revenue	1a)	99,014	22	99,036	198,986	38	199,024
Other operating income		19	-	19	39	-	39
Materials and services	4b)	-84,652	92	-84,560	-170,874	477	170,397
Employee benefit expenses	1b)	-5,979	-245	-6,224	-12,084	-475	-12,559
Depreciation and amortisation	2)	-328	-797	-1,125	-630	-1,506	-2,135
Other operating expenses	1a), 1b), 2)	-5,822	1,341	-4,481	-11,036	2,755	-8,281
Operating profit		2,253	411	2,664	4,402	1,290	5,691
Finance income		30	-	30	61	-	61
Finance costs	2)	-12	-434	-446	-20	-870	-889
Profit before income taxes		2,271	-23	2,248	4,443	420	4,863
Income taxes	5)	-473	5	-468	-1,096	-84	-1,180
Profit for the period		1,799	-19	1,780	3,347	336	3,683
Profit for the period attributable to							
Equity holders of the company		1,799		1,780	3,347		3,683
Earnings per share calculated from the profit attributable to equity holders							
Earnings per share, basic and diluted (EUR)		0.04		0.04	0.07		0.08

Statement of other comprehensive income 1 April-30 June 2017 and 1 January-30 June 2017

EUR thousand	Reference	1 Apr-30 June 2017 FAS	Effect of IFRS adjustments, total	1 Apr-30 June 2017 IFRS	1 Jan-30 June 2017 FAS	Effect of IFRS adjustments, total	1 Jan-30 June 2017 IFRS
Profit for the period		1,799		1,780	3,347		3,683
Comprehensive income for the period		1,799	-	1,780	3,347	-	3,683
Comprehensive income for the period							
Equity holders of the company		1,799		1,780	3,347		3,683

Statement of financial position 30 June 2017

EUR thousand	Reference	30 June 2017 FAS	Effect of IFRS adjustments	30 June 2017 IFRS
Non-current assets				
Intangible assets		1,144	-	1,144
Property, plant and equipment		1,771	-	1,771
Right-of-use assets	2)	-	23,997	23,997
Equity investments	3b)	282	1	283
Deferred tax assets	5)	-	1,136	1,136
Trade receivables	3a)	282	-	282
Other non-current receivables		219	-	219
Non-current assets, total		3,697	25,134	28,831
Current assets				
Inventories	4b)	47,677	-265	47,412
Trade receivables	3a)	7,484	-32	7,452
Other receivables		848	-	848
Accrued income		6,556	-	6,556
Cash and cash equivalents		21,929	-	21,929
Current assets, total		84,494	-297	84,197
Total assets		88,192	24,837	113,028
Equity				
Share capital		100	-	100
Fair value reserve	3c)	-	1	1
Invested non-restricted equity fund		25,493	-	25,493
Retained earnings	1), 2), 3), 4), 5)	9,305	-4,009	5,296
Profit for the period		3,347	336	3,683
Total equity		38,246	-3,673	34,573
Non-current liabilities				
Lease liabilities	2)	-	25,393	25,393
Deferred tax liabilities	5)	-	15	15
Depreciation difference	4a)	75	-75	-
Provisions		810	-	810
Non-current liabilities, total		885	25,333	26,219
Current liabilities				
Lease liabilities	2)	-	3,251	3,251
Advance payments received		2,252	-	2,252
Trade payables		31,082	-	31,082
Other current liabilities		2,583	-	2,583
Accrued liabilities	1c), 2)	13,144	-486	12,658
Income tax liabilities	1c)	-	411	411
Current liabilities, total		49,061	3,176	52,237
Total liabilities		49,946	28,509	78,455
Total equity and liabilities		88,192	24,837	113,028

Income statement 1 January-March 31 2017

EUR thousand	Reference	1 Jan-31 March 2017 FAS	Effect of IFRS adjustments, total	1 Jan-31 March 2017 IFRS
Revenue	1a)	99,971	17	99,988
Other operating income		19	-	19
Materials and services	4b)	-86,222	385	-85,837
Employee benefit expenses	1b)	-6,105	-230	-6,335
Depreciation and amortisation	2)	-302	-708	-1,010
Other operating expenses	1a), 1b), 2)	-5,214	1,415	-3,799
Operating profit		2,149	878	3,027
Finance income		31	-	31
Finance costs	2)	-8	-435	-443
Profit before income taxes		2,172	443	2,615
Income taxes	5)	-623	-89	-712
Profit for the period		1,549	354	1,903
Profit for the period attributable to				
Equity holders of the company		1,549		1,903
Earnings per share calculated from the profit				
attributable to equity holders				
Earnings per share, basic and diluted (EUR)		0.03		0.04

Statement of other comprehensive income 1 January-March 31 2017

EUR thousand	Reference	1 Jan-31 March 2017 FAS	Effect of IFRS adjustments, total	1 Jan-31 March 2017 IFRS
Profit for the period		1,549		1,903
Comprehensive income for the period		1,549	-	1,903
Comprehensive income for the period				
Equity holders of the company		1,549		1,903

Statement of financial position 31 March 2017

EUR thousand	Reference	31 March 2017 FAS	Effect of IFRS adjustments	31 March 2017 IFRS
Non-current assets				
Intangible assets		1,173	-	1,173
Property, plant and equipment		1,309	-	1,309
Right-of-use assets	2)	-	21,365	21,365
Equity investments	3b)	282	1	283
Deferred tax assets	5)	-	1,131	1,131
Trade receivables	3a)	255	-	255
Other non-current receivables		219	-	219
Non-current assets, total		3,238	22,497	25,735
Current assets				
Inventories	4b)	43,365	-357	43,008
Trade receivables	3a)	6,609	-32	6,578
Other receivables		1,230	-	1,230
Accrued income		7,641	-	7,641
Cash and cash equivalents		30,557	-	30,557
Current assets, total		89,402	-389	89,013
Total assets		92,639	22,109	114,748
Equity				
Share capital		100	-	100
Fair value reserve	3c)	-	1	1
Invested non-restricted equity fund		25,493	-	25,493
Retained earnings	1), 2), 3), 4), 5)	12,054	-4,009	8,045
Profit for the period		1,549	354	1,903
Total equity		39,196	-3,654	35,542
Non-current liabilities				
Lease liabilities	2)	-	23,473	23,473
Deferred tax liabilities	5)	-	15	15
Depreciation difference	4a)	75	-75	
Provisions		810	-	810
Non-current liabilities, total		885	23,413	24,298
Current liabilities				
Lease liabilities	2)	-	2,350	2,350
Advance payments received		2,347	-	2,347
Trade payables		36,443	-	36,443
Other current liabilities		1,512	-	1,512
Accrued liabilities	1c)	12,256	-281	11,975
Income tax liabilities	1c)	-	281	281
Current liabilities, total		52,558	2,350	54,908
Total liabilities		53,443	25,763	79,206
Total equity and liabilities		92,639	22,109	114,748

Transition date statement of financial position 1 January 2017

EUR thousand	Reference	1 Jan 2017 FAS	Effect of IFRS adjustments	1 Jan 2017 IFRS
Non-current assets				
Intangible assets		1,222	-	1,222
Property, plant and equipment		1,397	-	1,397
Right-of-use assets	2)	-	22,023	22,023
Equity investments	3b)	251	1	252
Deferred tax assets	5)	-	1,220	1,220
Trade receivables	3a)	231	-	231
Other non-current receivables		121	-	121
Non-current assets, total		3,223	23,244	26,467
Current assets				
Inventories	4b)	44,044	-742	43,302
Trade receivables	3a)	7,475	-32	7,443
Other receivables		517	-	517
Accrued income		4,937	-	4,937
Cash and cash equivalents		41,692	-	41,692
Current assets, total		98,665	-774	97,892
Total assets		101,888	22,470	124,358
Equity				
Share capital		100	-	100
Fair value reserve	3c)	-	1	1
Invested non-restricted equity fund		25,493	-	25,493
Retained earnings	1), 2), 3), 4), 5)	13,857	-4,009	9,848
Total equity		39,450	-4,008	35,441
Non-current liabilities				
Lease liabilities	2)	-	24,017	24,017
Deferred tax liabilities	5)	-	15	15
Depreciation difference	4a)	75	-75	-
Provisions		810	-	810
Non-current liabilities, total		885	23,957	24,842
Current liabilities				
Lease liabilities	2)	-	2,522	2,522
Advance payments received		3,065	-	3,065
Trade payables		42,087	-	42,087
Other current liabilities		3,496	-	3,496
Accrued liabilities	1c)	12,906	-1,073	11,833
Income tax liabilities	1c)	-	1,073	1,073
Current liabilities, total		61,553	2,522	64,075
Total liabilities		62,438	26,479	88,917
Total equity and liabilities		101,888	22,470	124,358

IFRS notes

Outlined below are the accounting policies that have had the most significant effects on the income statement, statement of financial position, and cash flow statement of Verkkokauppa.com Oyj due to the adoption of IFRS.

Verkkokauppa.com Oyj has control of, and owns all shares in, the Estonian company Arctecho Oü. Said company has not had any business activities for more than five years and the company does not have receivables from or liabilities to Verkkokauppa.com Oyj. Thus, Verkkokauppa.com Oyj will not prepare consolidated financial statements based on materiality. Therefore, Verkkokauppa.com Oyj will prepare separate financial statements according to IFRS.

Verkkokauppa.com Oyj has not applied any optional exemptions allowed by IFRS 1 –standard in the transition. Verkkokauppa.com Oyj has recognized all its lease agreements fully retrospectively and has not applied any exceptions allowed by IFRS 1.

1. Changes in classification

a) Changes in classification of revenue recognition

According to FAS, the Company has presented the income of third-party financed Apuraha consumer financing service less credit losses in the revenue. According to IFRS, the Company presents the gross revenue because it is the principal in the transaction in respect to the customer. Thus, the credit losses deducted from revenue according to FAS are transferred to other operating costs in IFRS.

b) Voluntary personnel costs

According to FAS, the Company has presented all the voluntary personnel costs in other operating costs. In the IFRS financial statements, all personnel costs belonging to employee benefits are presented as part of personnel costs.

c) Income tax receivables and liabilities

According to FAS, the income tax receivables and liabilities based on the taxable profit of the year are presented as part of accrued income and accrued liabilities. In the transition to IFRS, these have been transferred to their respective line items in the balance sheet.

d) Treasury shares

In FAS financial statements, treasury shares have been presented as part of retained earnings in the primary financial statements. For the sake of clarity, the Company presents the treasury shares on a separate line in the IFRS primary financial statements.

2. Leases

According to FAS, the Company has recognized lease expenses on a time apportionment basis in other operating costs in the income statement. At financial year-end, the lease obligations have been presented as off-balance sheet items as part of contingent liabilities. According to IFRS, for all leases, the Company must recognize the asset and liability corresponding to the present value of minimum lease payments in the balance sheet at the commencement date of the lease. The standard contains practical expedients, under which low-value leases and short-term leases (under 12 months) can be exempted from recognition. Verkkokauppa.com Oyj has decided to apply both of the expedients. The right-of-use asset and the lease liability, which are based on a right to control an asset and the lease

liability, are calculated by discounting the future minimum lease payments. With the accounting treatment based on IFRS, the lease expenses presented in FAS are replaced with the depreciation of the right-of-use asset. In addition, the interest costs of the lease liabilities, which are presented in the finance costs in the income statement, are recognized. If lease payments have been accrued, they have been transferred from accrued liabilities to lease liabilities.

3. Financial instruments

a) Impairment of financial assets and financial guarantees

IFRS requires that the model of expected credit losses is applied in assessing and recognizing impairment of financial assets as well as financial guarantee contracts. According to IFRS, the Company has recognized the impairment losses in the opening balance based on the new model. In the FAS financial statements of 2017, the Company has recognized credit losses from receivables of the company-financed Apuraha consumer financing service according to the ageing of the receivable. In the transition to IFRS, the Company has developed impairment models also for other trade receivables as well as for financial guarantee contracts.

b) Classification of equity investments at fair value through other comprehensive income

IFRS requires financial assets classification based on business model. In the transition to IFRS, the Company has assessed the business model of equity investments and has irrevocably decided to classify said equity investments at fair value through other comprehensive income. According to FAS, the Company has accounted for the investments at historical cost. In the third quarter of 2018, an impairment was made for one of the investments and recognized as finance costs under FAS. According to IFRS, changes in fair values will be recognized in other comprehensive income. On disposal of equity investments, any accumulated related balance within other comprehensive income is reclassified as retained earnings.

c) Fair value reserve for equity investments classified at fair value through other comprehensive income

Fair value changes in equity investments, which have been recognized through other comprehensive income, are accumulated in the fair value reserve. When such equity investments are derecognized, the accumulated amounts from this reserve is transferred to retained earnings. According to FAS, the disposals of these investments have been recognized as finance costs or income in the income statement. In the IFRS transition, the gains from disposal of the equity investment recognized according to FAS was therefore transferred to retained earnings.

4. Other adjustments

a) Depreciation difference

In the FAS financial statements, the Company had a depreciation difference that has been eliminated in the transition to IFRS to form part of retained earnings and deferred tax liabilities.

b) Annual inventory rebates

Under FAS, not all the annual rebates have been allocated in full to the inventory cost. IFRS requires that in defining the inventory purchase costs, the annual rebates have been deducted from it. Because of this, the Company has adjusted the carrying amount of the inventory and has recognized deferred

taxes on the adjustment. The effect in the income statement is shown in the materials and services – item, in change of inventories and, in change of deferred taxes.

c) Share-based payments

In 2018, the Company’s Board of Directors decided on establishing a share-based incentive plan for key management personnel. The first share-based incentive plan started in the end of June and covers a three-year commitment period (2018–2020). The matching share plan based on share investment has a cash and equity settled part. The plan has been classified in the IFRS transition as an equity-settled transaction, because Verkkokauppa.com Oyj will deduct, on behalf of the employee, from the share award such number of shares which covers taxes and tax-like charges paid in cash. This equity-settled share-based payment was measured at grant date fair value and recognized as an expense over the three-year period (2018–2020) and in retained earnings. In FAS, the share-based payment has been recognized as an expense and booked as accrued liability. The amount expensed during 2018 was not significant (54 thousand euros).

5. Deferred tax assets and liabilities

The Company has not recognized deferred taxes in its FAS financial statements for taxable temporary differences. All deferred taxes booked in the IFRS transition relate to temporary differences arising from the adjustments. In the deferred tax assets, the most significant deferred tax asset is related to the lease agreements and adjustments made to inventory.

The effect of IFRS adoption on statement of cash flows

Transition to IFRS mainly affects the cash flow from operating activities and cash flow from financing activities in the statement of cash flows, as realized rent payments are allocated to cash flow from operating activities for the portion corresponding to finance costs and to cash flow from financing activities for the portion corresponding to part payment of debt.

Summary of effects of IFRS transition on equity and profit for the period 2018

EUR Thousand	Reference	30.9.2018	30.6.2018	31.3.2018
Equity FAS		38,902	38,259	40,500
IFRS adjustments:				
Leases	2)	-3,611	-3,633	-3,648
Financial instruments	3)	23	-18	-18
Other adjustments	4)	-135	-47	-206
Adjustments, total		-3,724	-3,699	-3,873
Equity IFRS		35,179	34,560	36,627

EUR Thousand	Reference	1.1.-30.09. 2018	1.7.-30.9. 2018	1.1.-30.06. 2018	1.4.-30.6. 2018	1.1.-31.3. 2018
Profit for the period FAS		4,571	2,652	1,919	286	1,633
IFRS adjustments:						
Leases	2)	47	22	25	15	10
Financial instruments	3)	41	41			
Other adjustments	4)	232	-100	332	162	170
Adjustments, total		320	-37	357	177	180
Profit for the period IFRS		4,891	2,615	2,276	462	1,813

Summary of effects of IFRS transition on equity and profit for the period 2017

EUR Thousand	Reference	31.12.2017	30.9.2017	30.6.2017	31.3.2017	1.1.2017
Equity FAS		40,850	37,739	38,246	39,196	39,450
IFRS adjustments:						
Leases	2)	-3,658	-3,662	-3,658	-3,566	-3,612
Financial instruments	3)	-18	-25	-25	-25	-25
Other adjustments	4)	-376	-114	10	-63	-371
Adjustments, total		-4,053	-3,801	-3,673	-3,654	-4,008
Equity IFRS		36,797	33,939	34,573	35,542	35,441

EUR Thousand	Reference	1.1.- 31.12. 2017	1.10.- 31.12. 2017	1.1.- 30.09.2017	1.7.- 30.9.2017	1.1.- 30.06.2017	1.4.- 30.6.2017	1.1.- 31.3.2017
Profit for the period FAS		9,782	5,048	4,734	1,386	3,347	1,799	1,549
IFRS adjustments:								
Leases	2)	-46	4	-50	-4	-46	-92	46
Financial instruments	3)	-282	-282					
Other adjustments	4)	-5	-263	258	-124	381	73	308
Adjustments, total		-333	-541	208	-128	336	-19	354
Profit for the period IFRS		9,449	4,508	4,941	1,258	3,683	1,780	1,903

Key ratios

In this release, Verkkokauppa.com Oyj presents certain key figures that are not accounting measures defined under IFRS and therefore are considered as Alternative Performance Measures (APM). Verkkokauppa.com Oyj applies in the reporting of alternative performance measures the guidelines issued by the European Securities and Market Authority (ESMA).

Verkkokauppa.com Oyj uses alternative performance measures to reflect the underlying business performance and to enhance comparability between financial periods. The Company's management believes that these key figures provide supplementing information on the statement of comprehensive income and financial position.

Alternative performance measures do not substitute the IFRS key ratios.

Formulas for key ratios

KEY RATIO	DEFINITIONS		BASIS OF ALTERNATIVE PERFORMANCE MEASURES ADOPTED
GROSS PROFIT	Revenue – materials and services		Gross profit shows the profitability of the sales
GROSS MARGIN, %	$\frac{(\text{Revenue} - \text{materials and services})}{\text{Revenue}}$	x 100	Gross margin measures the profitability of the sales of Verkkokauppa.com
EBITDA	Operating profit + depreciation + amortization		EBITDA shows the operational profitability
EBITDA, %	$\frac{(\text{Operating profit} + \text{depreciation} + \text{amortization})}{\text{Revenue}}$	x 100	EBITDA measures the operational profitability of Verkkokauppa.com
OPERATING PROFIT	Result for the period before income taxes and net finance income and costs		Operating profit shows result generated by operating activities
OPERATING MARGIN, %	$\frac{\text{Operating profit}}{\text{Revenue}}$	x 100	Operating margin measures operational efficiency of Verkkokauppa.com
EQUITY RATIO, %	$\frac{\text{Total equity}}{\text{Balance sheet total} - \text{advance payments received}}$		Equity ratio measures Verkkokauppa.com's solvency, ability to bear losses and ability to meet commitments in the long run

GEARING, %	$\frac{\text{Interest bearing liabilities + lease liabilities – cash and cash equivalents – interest bearing receivables}}{\text{Total equity}} \times 100$	Gearing measures the relation of equity and interest-bearing net debt of Verkkokauppa.com and shows the indebtedness of the company
EARNINGS PER SHARE, BASIC	$\frac{\text{Profit for the period attributable to equity holders of the company}}{\text{Weighted average number of shares outstanding}}$	
EARNINGS PER SHARE, DILUTED	$\frac{\text{Profit for the period attributable to equity holders of the company}}{\text{Weighted average number of shares outstanding + dilutive potential shares}}$	

The Company will publish its financial reports in 2019 in accordance with IFRS according to the schedule of the financial reporting, announced on 4 October 2018.

For more information, please contact:

Panu Porkka
 CEO
 panu.porkka@verkkokauppa.com
 Tel. +358 10 309 5555

Jussi Tallgren
 CFO
 jussi.tallgren@verkkokauppa.com
 Tel. +358 10 309 5555

Certified Adviser
 Nordea Bank Abp
 puhelinnumero +358 9 5300 6785

Distribution:

Nasdaq Helsinki
 Principal media
 www.verkkokauppa.com