



**NORDIC MORNING
GROUP**

March, 2018

NORDIC MORNING GROUP'S FINANCIAL STATEMENTS BULLETIN 2017

Letter from the CEO

A year ago, when I joined as CEO, Nordic Morning Group consisted of the parent company, six Finnish and six Swedish subsidiaries. Each company with a specific market position, providing services that complemented the others in the Group.

Our industry is transforming, and so are we. One of my very first actions was to form a strategy team, consisting of the Managing Directors for each company and the heads of our support functions. In close collaboration with our clients, we developed our new strategy, drawing from our history and our deep-rooted culture of change and learning.

This strategy guides the repackaging of our capabilities and services to better meet the needs our clients have today, and the digital business environment of tomorrow. We are now organized in three business areas, targeting three specific markets:

- Data-driven marketing & service design to drive growth and customer loyalty
- Services for automated customer communication and sales support material
- Learning and problem solving using digital technology and content in new ways

The strategy work is manifested in Nordic Morning Group's common 'Why' and 'How', which set the direction and guidelines for how all employees work.

We believe in making the world a better experience - Nordic Morning Group's 'Why'

Differentiation in the offering or product is not an option for most companies today. A select few companies in the world can claim a unique offering or product, but most of us have to face the fact that alternatives to our products or services are a mere click away. In the digitalized world, the power is literally at our customers' fingertips.

And customers' expectations are increasing exponentially - arguably, at the same rate at which their loyalty is declining. When it comes to differentiation, companies have no option: the experience their brand or service provides needs to be at the core of their business. The companies who succeed will thrive. Their satisfied customers will share good experiences immediately, globally, and the brand will grow faster than ever before.

The demand for superior customer experience is absolute. In our digital, connected world, there is always an audience eager to hear, comment on and share the experience you deliver to your customers. This is an exceptional possibility, and a monumental business risk if you haven't thought through your customer experience.

For this reason, we at Nordic Morning Group are dedicated to making the world a better experience above all else: in every little detail, in everything you say and everything you do, at every level of your organization. Our differentiator is our people. Our talent is our strongest asset, and each and every individual working at Nordic Morning Group is part of creating a better experience, every day.

We challenge established thinking and ways of working through people and technology - Nordic Morning Group's 'How'

Our history goes back to 1859, when we printed stamps for the Russian Tsar. In 1917, as Finland gained its independence from Russia, we printed the very first Finnish stamps. This goes to prove that communication has always played a very important role in society, and it still does.

From the industrial revolution to the present, the common thread for us is being at the forefront, challenging established thinking and ways of working through people and technology. We have evolved, or we wouldn't be here, more than 160 years later. Change and learning is in the DNA of our organization and our culture.

The change journey continues

All three business areas within the Group share 'Why' and 'How'. Their offerings differ from a customer-centric point of view:

- Nordic Morning - Driving growth & customer loyalty
- Edita Prima - Eliminating inefficiencies
- Edita Publishing - Smart learning

Our change journey continues. Our clients' needs are changing with the digital transformation that affects all industries and all of society. We will continue to develop and strengthen our culture of change and learning going forward, to serve our clients in the best way possible.

I believe in change and learning as keys to successful business. In 2017, our great clients and the brilliant people at Nordic Morning Group have proven it to be true. I would like to take this opportunity to thank you all. In one year, we have changed so many things, and delivered the financial results to back it. It shows what this Group is capable of.

Let us continue our journey together,

Anne Årneby
CEO Nordic Morning Group

2017 AT A GLANCE

- The Nordic Morning Group's financial performance was excellent compared to the previous year. The Nordic Morning Group consists of three business areas: Nordic Morning, Edita Prima and Edita Publishing.
- The Nordic Morning Group's consolidated net revenue was EUR 93.4 million (EUR 103.4 million). Net revenue grew substantially in the Edita Publishing business area, particularly due to strong advertising sales, while the net revenue of the Edita Prima business area declined due to restructuring measures. The Nordic Morning business area's net revenue declined due to the closure of the offices in Gothenburg and Malmö.
- Gross margin before non-recurring items decreased from EUR 58.2 million to EUR 53.9 million, but EBITDA before non-recurring items increased from EUR 2.0 million to EUR 6.2 million.
- Operating profit was EUR 5.9 million (EUR -14.3 million). Non-recurring items totalled EUR 2.9 million (EUR -12.4 million).
- Operating profit excluding non-recurring items was EUR 3.0 million (EUR -1.9 million). Profit excluding non-recurring items improved significantly in all business areas, thanks to successful efficiency improvement measures and cost savings.
- The equity ratio at the end of the review period was 46.8 percent (36.3 percent).

Consolidated key figures

CONSOLIDATED KEY FIGURES		2017	2016
Net revenue	k€	93 402	103 399
Exports and foreign operations %		51,8 %	60,2 %
Adjusted operating gross margin	k€	53 876	58 188
% of net revenue		57,7 %	56,3 %
Adjusted operating EBITDA	k€	6 215	1 966
% of net revenue		6,7 %	1,9 %
Adjusted operating profit/loss	k€	3 048	-1 920
% of net revenue		3,3 %	-1,9 %
Operating profit/loss	k€	5 909	-14 282
% of net revenue		6,3 %	-13,8 %
Profit before taxes	k€	5 573	-14 536
% of net revenue		6,0 %	-14,1 %
Profit for financial year	k€	4 547	-14 392
Return on equity (ROE), %	%	22,6	-53,4
Return on capital employed, %	%	23,3	-37,6
Equity-to-assets ratio (%)	%	46,8	36,3
Gearing (%)	%	12,4	32,0
Gross capital expenditure	k€	1 696	5 297
% of net revenue		1,8	5,1
Average number of employees		548	653
Earnings per share (EPS)	€	0,75	-2,38
Dividends per share	€	0,33	0,33
Equity per share	€	3,55	3,11

The Nordic Morning Group and changes in Group structure

According to Nordic Morning Group's new strategy, the operations were reorganized into three business areas:

- *Nordic Morning*, comprised of Nordic Morning Finland Oy, Nordic Morning Sweden AB, Ottoboni Sweden AB, Nordic Morning Data-Driven Content AB, Mods Graphic Studio AB and CountQuest Interactive AB.
- *Edita Prima*, comprised of Edita Prima Oy.
- *Edita Publishing*, comprised of Edita Publishing Ltd.

Kiinteistö Oy Vantaan Hakamäenkuja was liquidated in March, followed by Citat Robot AB and Journalistgruppen AB in April. The discontinued companies had no actual operations, and were included in the reports as a part of the administrative segment under "other operations".

In June, the Nordic Morning Group's parent company's shares of CountQuest Interactive AB and Ottoboni Sweden AB were transferred to the ownership of Nordic Morning Group Sweden AB, the Swedish parent company. In addition, Nordic Morning Finland Oy's share of Nordic Morning Sweden AB was transferred to Nordic Morning Group Sweden AB. The aim of the measures was to clarify the legal structure of the Nordic Morning Group.

In June, Nordic Morning Group Sweden AB sold its share of the Ukraine-based Sitrus Ukraine LLC. The transaction had no significant impact on the Group's profit or financial position or on the Group's net revenue or profit for the whole year.

In June, Nordic Morning Group Sweden AB signed an agreement on the sale of the associated company BrandSystems International AB. The transaction was finalized in December 2017.

The following changes in the operating entities' names entered into effect on September 15: in accordance with the new strategy, the Group's parent company Nordic Morning Plc changed its name to Nordic Morning Group Plc. Klikkicom Oy changed its name to Nordic Morning Finland Oy, Klikki AB changed its name to Nordic Morning Sweden AB, and Sitrus AB changed its name to Nordic Morning Data-Driven Content AB.

As a result of an internal merger process carried out in Finland, Sitrus Agency Oy, Seed Digital Media Oy and Ottoboni Finland Oy were merged with Nordic Morning Finland Oy on October 31, 2017.

In Sweden, the process of merging Ottoboni Sweden AB and CountQuest Interactive AB with Nordic Morning Sweden AB started in the fall. The aim is to have the legal process completed during spring 2018.

In September, Edita Bobergs AB sold its printing business to the Swedish printing company Åtta.45 Tryckeri AB. The Group intends to liquidate Edita Bobergs AB and the associated company Edita Bobergs Förvaltnings AB in 2018.

Consolidated net revenue

The Group's consolidated net revenue was EUR 93.4 million (EUR 103.4 million). Net revenue in Finland amounted to EUR 45.0 million (EUR 41.1 million). Net revenue in other EU countries was EUR 46.7 million (EUR 59.8 million) and exports outside the EU totaled EUR 1.6 million (EUR 2.5 million). Of the Group's net revenue, 49 percent (40%) came from Finland and 51 percent (60%) from Sweden. In Sweden, net revenue decreased in the Nordic Morning business area, where the focus was on improving profitability by discontinuing loss-making operations. The net revenue of the Edita Prima business area in Sweden decreased due to the restructuring of the printing business, whereas in Finland the net revenue of the business area increased slightly. In the Edita Publishing business area, net revenue increased by EUR 1.9 million, particularly due to strong advertising sales.

Revenue (EUR 1,000)	2017	2016	Change 2017-2016
Nordic Morning	52 991	60 472	-12,4 %
Edita Publishing	14 894	12 954	15,0 %
Edita Prima	26 697	30 958	-13,8 %
Group-internal revenue and other operations	-1 180	-986	-19,7 %
Group	93 402	103 399	-9,7 %

The **Nordic Morning business area's** net revenue was EUR 53.0 million (EUR 60.5 million). In Finland, net revenue increased from EUR 9.7 million to EUR 11.1 million. In Sweden, net revenue was weighed down by the closure of Nordic Morning Data-Driven Content AB's offices in Malmö and Gothenburg.

The **Edita Publishing business area's** net revenue was EUR 14.9 million (EUR 13.0 million). Net revenue was particularly boosted by the strong growth of advertising sales and the positive developments in orders for learning materials.

The **Edita Prima business area's** net revenue was EUR 26.7 million (EUR 31.0 million). Net revenue in Finland increased year-on-year. Net revenue declined in Sweden, where Edita Bobergs AB sold its printing business to the Swedish printing company Åtta.45 Tryckeri AB in September.

Non-recurring items

Exceptional transactions outside the ordinary course of business are treated as non-recurring items. Among such transactions are gains and losses on disposal of business operations and assets, impairment, costs of discontinuing significant business operations and restructuring provisions. In the income statement, gains are presented in other operating income, and expenses in the corresponding expense item. Non-recurring items are included in the segment-specific operating results.

Consolidated operating profit

The Group's operating profit was EUR 5.9 million (EUR -14.3 million), an increase of EUR 20.2 million from the previous year. The operating profit includes non-recurring items totaling EUR 2.9 million (EUR -12.4 million). The non-recurring income included in the operating profit amounted to EUR 5.8 million (EUR 1.8 million), with the most significant item being a non-recurring gain of EUR 3.1 million on the sale of land in Hakuninmaa. Non-recurring expenses amounted to EUR 2.9 (14.1) million.

The most significant non-recurring expense, EUR 2.2 million, was related to the closure of unprofitable operations of Nordic Morning Data-Driven Content AB in the Nordic Morning business area. The Group's operating profit excluding non-recurring items increased significantly, amounting to EUR 3.0 million (EUR -1.9 million).

The Group's profit was mainly increased by the significant growth in the net revenue of Edita Publishing Oy and the strong result achieved by Edita Prima Oy in Finland. In Sweden, profit was boosted substantially by the gains from the sale of the Edita Bobergs AB and Edita Bobergs Förvaltning AB businesses as well as Ottoboni Sweden AB's result improving thanks to efficiency improvement measures.

Operating profit/loss (EUR 1,000)	2017	2016
Nordic Morning	-2 929	-14 062
Edita Publishing	4 528	2 379
Edita Prima	2 904	57
Other operations	1 406	-2 656
Group	5 909	-14 282
Operating Profit %	6,3 %	-13,8 %

The **Nordic Morning business area's** operating loss was EUR -2.9 million (EUR -14.1 million). This marked a significant improvement in the result, as the Group recognised a write-down of goodwill amounting to EUR 10.0 million in the previous year. The result was weighed down by EUR 2.2 million in restructuring costs arising from the discontinuation of Nordic Morning Data-Driven Content AB's unprofitable operations. Operating profit excluding non-recurring items was EUR -0.4 million (EUR -1.4 million). In both Finland and Sweden, operating profit excluding non-recurring items showed a substantial improvement due to successful efficiency improvement measures.

The **Edita Publishing business area's** operating profit was EUR 4.5 million (EUR 2.4 million). The operating profit was particularly boosted by the strong growth of advertising sales and the positive developments in orders for learning materials.

The **Edita Prima business area's** operating profit was EUR 2.9 million (EUR 0.1 million). The result includes EUR 1.7 million (EUR 0.4 million) in net non-recurring items, mostly related to gains on the disposal of fixed assets and business operations. The result of the business area's operations in Finland showed a substantial profit and a significant increase from the previous year. In Sweden, the operating profit excluding non-recurring items showed a loss, but the result was a substantial improvement from the previous year, as the divested businesses were sold during 2017.

Other operations include group administration, the operating profit of which was EUR 1.4 million (EUR -2.7 million). The result consists mainly of group administration expenses. Significant cost savings were achieved in group administration during the financial year. The result also includes EUR 3.1 million in non-recurring profit from the sale of land owned by Nordic Morning Group Plc.

Solvency and financial position

The net cash flow from the Group's operating activities was EUR 2.0 million (EUR 3.5 million). Investments totaled EUR 2.4 million (EUR 3.0 million). Loan installments

and repayments of leasing liabilities amounted to EUR 3.0 million (EUR 11.1 million). The Group's cash and cash equivalents at the end of the year totaled EUR 1.3 million (EUR 1.0 million).

The Group's equity ratio was 46.8 percent (36.3 percent). The strong result improved return on equity and the equity ratio.

	2017	2016
Return on equity (ROE), %	22,6 %	-53,4 %
Equity-to-assets ratio, %	46,8 %	36,3 %

The Group's parent company

The net revenue of the Group's parent company, Nordic Morning Plc, was EUR 3.8 million (EUR 4.5 million), and its profit for the financial year was EUR 1.8 million (EUR -22.7 million). The parent company's balance sheet total was EUR 67.1 million (EUR 67.5 million).

Investments

The Group's gross capital expenditure, as per international financial statements standards (IFRS), was EUR 1.7 million (EUR 5.3 million). The most significant capital expenditure item was the parent company's investment in new office premises, which allowed the Group to centralize the operations of its Finnish units in one location. The parent company's gross capital expenditure, as per Finnish accounting regulations, was EUR 1.3 million (EUR 3.9 million).

Personnel

During the financial year, the Group employed an average of 548 (653) persons (full-time equivalents). The parent company employed an average of 28 (31) persons.

The average number of personnel decreased by 67 in the Nordic Morning business area and by 36 in the Edita Prima business area.

Of the Group's employees, 47 (40) percent work in Finland and 53 (60) percent in other countries, mainly in Sweden.

Average number of employees in full-time equivalents	2017	2016	Change 2017-2016
Nordic Morning	307	374	-18,0 %
Edita Publishing	78	77	0,8 %
Edita Prima	122	158	-22,6 %
Other operations	41	44	-5,7 %
Group	548	653	-16,1 %
Per country			
Finland	258	263	-1,8 %
Sweden	285	373	-23,6 %
Other countries	5	17	-70,4 %
Group	548	653	-16,1 %
Employee benefits expense (EUR 1,000)	41 455	49 513	-16,3 %

The year 2017 was a year of business renewal, also from the employees' perspective. The personnel have been called on to make significant contributions to the reorganization of operations, renewed strategic focus and the development of the employees' capacity for change. To this end, the Group has improved its internal strategic communications and organized quarterly personnel events led by senior management with an emphasis on strategy and the focus areas of the Group's business operations.

The renewal of the Nordic Morning business area was supported in particular, both in the merger and harmonization negotiations of the companies concerned and in creating a coherent workplace culture. Several workshops were held during the year, focusing on two themes that are key to the Group's success: the Customer Experience and Key Behaviors. The goal of the workshops was to make the strategy more understandable and strengthen cooperation among personnel. The Group also designed a new incentive program for key persons in 2017. The program will enter into effect in 2018.

Compensation

The Board of Directors of Nordic Morning Group Plc decides the terms and conditions of the contracts of the CEO and directors directly accountable to the CEO. Every year the Board sets targets, based on the budget and operating plans that must be met for bonuses to be paid and decides on the compensation of the CEO and directors directly accountable to the CEO. As regards others than the CEO and members of the business areas' management teams, the Board decides on the principles of compensation. Nordic Morning Group Plc does not use incentive systems based on shares or share derivatives.

Due to the changes in strategy, no short or long term incentive programs were in effect in 2017. The Group's Board of Directors decided to award an incentive bonus to the current CEO for the year 2017 due to her excellent performance. The provision recognized in the financial statements is EUR 59 thousand, which is 25 % (max 40 %) of annual taxable earnings.

In 2018, the Group will implement an incentive program under which the CEO is entitled to a performance-based bonus not exceeding 100 percent of the CEO's annual taxable earnings. The other individuals covered by the incentive program are entitled to a performance-based bonus not exceeding 60-80 percent of their annual taxable earnings.

The contractual retirement age of the parent company's CEO complies with the applicable legislation.

Risks and risk management

The Nordic Morning Group's most significant risks are related to the development of the general economic situation, the structural changes in the marketing and communications industry, risks related to operations and the development of the value of the Swedish krona. The Group's risks are assessed regularly as part of operational planning and reporting.

The digital transformation has a tremendous impact by introducing rapid technological progress to learning, marketing, customer behavior and media consumption as well as the increasing use of data analytics. Using data analytics at the core of business operations creates deeper customer insight to serve as the foundation of operations and also enables a better customer experience.

The key to business growth lies in attracting and retaining highly competent personnel. As our business depends heavily on our human capital, this is of critical importance to the Nordic Morning Group. Failing to attract and retain talented professionals could pose significant challenges to the Group's business areas. With this in mind, the retention and development of competence is one of the focus areas of our strategy.

For the Group's solvency as well as cash and cash equivalents to remain at a good level, the profitability of business operations must be improved and the management of working capital must be enhanced.

Nordic Morning Group has grown largely through acquisitions, which have created acquisition-related goodwill in the balance sheet. The Group's balance sheet includes EUR 14.6 million in goodwill, which has been allocated to the Nordic Morning business area. If the structural change of the marketing and communications market continues to be more intense than anticipated, the Nordic Morning Group may have to consider additional write-downs of goodwill.

As a result of acquisitions, the Nordic Morning Group's information systems structure is fragmented. The risk this causes to business operations will be reduced by harmonizing the information systems structure in a manner that supports cooperation and information sharing between the business areas.

The Nordic Morning Group's currency risk is related to developments in the value of the Swedish krona. Currency risks are monitored regularly and hedged when necessary. No hedging of the Group's transaction or translation positions took place during the beginning of the year.

Financing risks are managed by hedging part of the interest rates on current loans. The hedging arrangements will remain in effect until the loans mature.

Corporate responsibility

Nordic Morning Group releases annual Corporate Responsibility Reports as part of its Annual Reports available on the Group's website. The report is prepared in accordance with the GRI (Global Reporting Initiative) guidelines.

For Nordic Morning Group, financial responsibility means producing financial added value for the company's key stakeholders, personnel, customers and owner. Important stakeholders also include partners, investors and the countries and municipalities in which the Nordic Morning Group operates. The tax footprint is reported annually as part of financial responsibility.

Social responsibility means acting in accordance with the Nordic Morning Group's values and ethical principles in work and in relation to stakeholders. Service providers are also required to act according to the Group's values and ethics. Key aspects of social responsibility include employee well-being, supporting continuous learning and competence development, as well as providing inspiring and caring leadership.

The Nordic Morning Group's environmental strategy is based on environmental awareness, environmentally responsible operations, services and products. The production facility in Helsinki is ISO14001 certified and climate neutral. It has also been granted the right to use the Swan ecolabel and paper chain of custody labels. Nordic Morning Group also encourages environmental responsibility on the part of its customers by reducing the environmental impact of its own operations and by offering sustainable products and services.

Board of Directors, CEO and auditors

The Annual General Meeting on March 21, 2017, decided that Per Sjödell (Chairman), Jukka Ruuska (Vice Chairman), Maritta Iso-Aho, Anni Ronkainen and Petri Vihervuori will continue as members of the Board of Directors of Nordic Morning. Ingrid Jonasson Blank was elected as a new member.

Anne Årneby became the Nordic Morning Group's CEO on January 12, 2017. She resigned from the Board of Directors on January 11, 2017.

The Annual General Meeting elected KPMG Oy AB, Authorized Public Accountants, as the auditor. The principal auditor is Kati Nikunen, APA.

Outlook for 2018

Nordic Morning Group is on a change journey. Our client's needs are changing due to the digital transformation that affects all industries, as well as society. And we believe in change and learning as keys to successful business. We will continue to develop and strengthen our culture of change and learning going forward to serve our clients in the best way possible.

We believe in making the world a better experience and we do that by **challenging established thinking and ways of working through people and technology**. Each business area offering is developed in close collaboration with our clients:

- Nordic Morning - Driving growth & customer loyalty
- Edita Prima - Eliminating inefficiencies
- Edita Publishing - Smart learning

The Nordic Morning Group's strength lies in broad-based expertise and close internal cooperation, which enable us to take a comprehensive approach to our customers' challenges. While we expect our net revenue to decrease somewhat due to the restructuring measures carried out in 2017, we anticipate that our result will continue to develop favorably.

Shares

The company has one share class, and so there are no vote differentials. One share carries one vote. The company's shares do not belong to the book-entry system. All shares issued have been fully paid for. The total number of shares was 6,000,000 throughout the financial year as well as during the comparison period.

Board's proposal on the disposal of distributable funds

Nordic Morning Group Plc's equity was EUR 38,745,737.12 at the end of the financial year. The company's distributable funds are EUR 6,876,126.78, of which the result for the financial year was EUR 1,795,226.96.

The Board of Directors proposes to the Annual General Meeting that the parent company's distributable funds be used as follows:

- distribute a dividend of EUR 0.33/share, totaling	EUR 2,000,000.00
- transfer to the profit and loss account of previous financial periods	<u>EUR 4,876,126.78</u>
	EUR 6,876,126.78

No substantial changes have taken place in the company's financial standing since the end of the financial year. The company's liquidity is good and, according to the view of the Board of Directors, the proposed profit distribution will not compromise the company's solvency.

Nordic Morning Group Plc

Anne Årneby
CEO

Distribution: Government Ownership Steering Department.

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Appendix: Nordic Morning Group's income statement, comprehensive income statement, balance sheet, cash flow statement, and consolidated statement of changes in shareholders' equity.

Nordic Morning Group's financial statements are published on the company's website at www.nordicmorninggroup.com

APPENDIX: Nordic Morning Group's income statement, comprehensive income statement, balance sheet, cash flow statement and consolidated statement of changes in shareholders' equity.

Consolidated income statement (IFRS) (EUR 1,000)

	1.1. -31.12.2017	1.1. -31.12.2016
NET REVENUE	93 402	103 399
Other operating income	4 634	2 259
Change in inventories of finished and unfinished goods	-142	-1
Work performed for company use	157	205
Materials and services	-31 478	-35 973
Employee benefits expense	-41 455	-49 513
Depreciation	-3 382	-4 077
Impairment	-311	-9 972
Other operating expenses	-16 665	-20 660
Share of profit in associates	1 150	52
OPERATING PROFIT	5 909	-14 282
Financial income	59	56
Financial expenses	-395	-310
PROFIT BEFORE TAXES	5 573	-14 536
Income taxes	-1 026	143
PROFIT FOR THE FINANCIAL YEAR	4 547	-14 392
Distribution		
Parent company's shareholders	4 501	-14 287
Non-controlling interest	45	-106
Earnings per share calculated on the profit attributable to shareholders of the parent company:		
earnings per share, EUR	0,75	-2,38

Consolidated statement of comprehensive income (IFRS) (EUR 1,000)

	1.1. -31.12.2017	1.1. -31.12.2016
PROFIT FOR THE FINANCIAL YEAR	4 547	-14 392
Other comprehensive income		
Items that may be recognized through profit and loss later		
Available-for-sale financial assets	-67	-18
Translation differences	203	150
Taxes relating to OCI items	13	4
Post-tax OCI items for the financial year	150	135
ACCUMULATED COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	4 696	-14 257
Distribution of comprehensive income		
Parent company's shareholders	4 656	-14 143
Non-controlling interest	40	-115

Consolidated statement of financial position (IFRS) (EUR 1,000)

ASSETS	31.12.2017	31.12.2016
NON-CURRENT ASSETS		
Tangible fixed assets	9 340	11 073
Goodwill	14 524	14 587
Other intangible assets	1 679	2 952
Interests in associated companies	1 459	1 184
Other financial assets	190	413
Deferred tax assets	43	85
	27 235	30 294
CURRENT ASSETS		
Inventories	1 813	2 286
Sales receivables and other receivables	18 072	20 842
Tax receivables based on taxable income for the financial year	44	59
Other current financial assets	76	146
Cash and cash equivalents	1 326	1 007
	21 331	24 340
Total assets	48 566	54 634
EQUITY AND LIABILITIES		
31.12.2017		
31.12.2016		
SHAREHOLDERS' EQUITY		
Share capital	6 000	6 000
Share premium fund	25 870	25 870
Translation differences	-168	-377
Fair value fund	48	102
Retained earnings	-10 443	-12 944
Shareholders' equity attributable to parent company shareholders	21 306	18 650
Non-controlling interest	197	157
Total shareholders' equity	21 504	18 807
LIABILITIES		
Non-current liabilities		
Financial liabilities	2 327	5 035
Non-current provisions	146	288
Deferred tax liabilities	440	826
	2 913	6 149
Current liabilities		
Current financial liabilities	1 669	1 992
Accounts payable and other current liabilities	21 674	27 574
Tax liabilities based on taxable income for the financial year	807	113
	24 150	29 678
Total liabilities	27 062	35 827
Total shareholders' equity and liabilities	48 566	54 634

Consolidated statement of cash flows (EUR 1000)

	1.1. - 31.12.2017	1.1. - 31.12.2016
Cash flow from operating activities		
Profit for the financial year	4 547	-14 392
Adjustments		
Non-cash transactions	-1 372	12 545
Interest expenses and other financial expenses	395	310
Interest income	-59	-56
Dividend income	-8	-7
Taxes	1 026	-143
Changes in working capital		
Change in sales receivables and other receivables	2 657	4 119
Change in inventories	121	242
Change in accounts payable and other liabilities	-4 356	1 165
Change in provisions	-142	43
Interest paid	-192	-282
Interest received	70	47
Taxes paid (-) received (+)	-660	-77
Net cash flow from operating activities (A)	2 027	3 514
Cash flow from investing activities		
Sale of business operations (net of cash)	1 422	182
Sale of tangible fixed assets	3 205	5 180
Acquisition of subsidiaries and businesses (net of cash and equivalents acquired)	-934	-2 301
Investments in tangible fixed assets	-1 380	-640
Investments in intangible assets	-111	-72
Proceeds from other investments	319	0
Dividends received	786	164
Net cash flow from investing activities (B)	3 306	2 512
Cash flow from financing activities		
Repayment of loans	-2 797	-7 064
Finance lease liabilities	-223	-870
Dividends paid	-2 000	-2 000
Net cash flow from financing activities (C)	-5 020	-9 935
Change in cash and cash equivalents (A+ B + C)	313	-3 908
Cash and cash equivalents at start of the period	1 007	4 823
Effect of changes in exchange rates	6	92
Cash and cash equivalents at end of the period	1 326	1 007

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (IFRS) (EUR 1000)

	Shareholders' equity attributable to parent company shareholders					Non-controlling interest	Total shareholders' equity	
	Share capital	Share premium fund	Translation differences	Fair value fund	Retained earnings			Total
Shareholders' equity, January 1, 2016	6 000	25 870	-536	116	3 343	34 793	272	35 065
Comprehensive income								
Profit for financial year					-6 397	-6 397	-244	-6 641
Other comprehensive income (adjusted with tax effect)								
Available-for-sale financial assets				-1		-1		-1
Translation differences			-204			-204	-3	-207
Accumulated comprehensive income			-204	-1	-6 397	-6 601	-247	-6 848
Transaction with owners								
Dividend distribution					-2 000	-2 000		-2 000
Shareholders' equity, June 30, 2016	6 000	25 870	-740	115	-5 054	26 190	25	26 216
Shareholders' equity, January 1, 2017	6 000	25 870	-377	102	-12 944	18 650	157	18 807
Comprehensive income								
Profit for financial year					4 501	4 501	45	4 547
Other comprehensive income (adjusted with tax effect)								
Available-for-sale financial assets				-54		-54		-54
Translation differences			209			209	-6	203
Accumulated comprehensive income			209	-54	4 501	4 656	40	4 696
Transaction with owners								
Dividend distribution					-2 000	-2 000		-2 000
Shareholders' equity, June 30, 2017	6 000	25 870	-168	48	-10 443	21 306	197	21 504



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