

NORDIC MORNING GROUP'S FINANCIAL STATEMENTS BULLETIN 2015

Customers' needs were met by strengthening data and analytics services

- Consolidated net revenue was EUR 103.4 million (EUR 104.9 million). The Visibility & Service Design business area's net revenue grew by over 20 percent. The decline in consolidated net revenue was primarily due to the restructuring of the printing business in Sweden and the contraction of the net revenue of the Content business area.
- Operating profit was EUR -14.3 million (EUR -0.2 million). The operating profit included a substantially larger amount of non-recurring items than in the previous year at a total EUR -12.4 million (EUR -0.2 million). Operating profit was weighed down mainly by costs of one-time measures of goodwill in the Visibility & Service Design and Content business areas.
- Operating profit excluding non-recurring items was EUR -1.9 million (EUR -0.1 million).
- Equity ratio was 36.3 percent (48.6 percent).
- Net cash flow from operating activities was EUR 3.5 million (EUR 0.5 million).
- Customers' increasing needs for data and analytics services was met by acquiring a data management company CountQuest Interactive AB and by developing and recruiting talent in the area.

Nordic Morning Group's consolidated net revenue was EUR 103.4 million (EUR 104.9 million). Net revenue in Finland was EUR 41.1 million (EUR 39.9 million). Net revenue in other EU countries was EUR 59.8 million (EUR 62.0 million) and exports outside the EU totaled EUR 2.5 million (EUR 3.0 million). Of the Group's net revenue, 40 percent (39) came from Finland and 60 percent (61) from Sweden and other Nordic countries. The decline in consolidated net revenue was primarily due to the restructuring of the printing business in Sweden and the contraction of the net revenue of the Content business area. The Visibility & Service Design business area's net revenue grew by over 20 percent.

CONSOLIDATED KEY FIGURES		2016	2015
Net revenue	k€	103 399	104 909
Exports and foreign operations %		60,2 %	61,9 %
Adjusted operating gross margin	k€	58 188	61 259
% of net revenue		56,3 %	58,4 %
Adjusted operating EBITDA	k€	1 966	4 216
% of net revenue		1,9 %	4,0 %
Adjusted operating profit/loss	k€	-1 920	-64
% of net revenue		-1,9 %	-0,1 %
Operating profit/loss	k€	-14 282	-224
% of net revenue		-13,8 %	-0,2 %
Profit before taxes	k€	-14 536	-356
% of net revenue		-14,1 %	-0,3 %
Profit for financial year	k€	-14 392	-224
Return on equity (ROE), %	%	-53,4	-0,6
Return on capital employed, %	%	-37,6	-0,3
Equity-to-assets ratio (%)	%	36,3	48,6
Gearing (%)	%	32,0	28,1
Gross capital expenditure	k€	5 297	7 786
% of net revenue		5,1	7,4
Average number of employees		653	709
Earnings per share (EPS)	€	-2,38	-0,02
Dividends per share	€	0,33	0,33
Equity per share	€	3,11	5,80

The Group's operating profit was EUR -14.3 million (EUR -0.2 million), which is EUR 14.1 million lower than in the previous year. The operating profit included a substantially larger amount of non-recurring items than in the previous year at EUR -12.4 million (EUR -0.2 million). The costs of one-time measures totaled EUR 14.1 million (EUR 2.7 million), most of which was attributable to impairment of goodwill of EUR 10.0 million (EUR 0.5 million) recognized in the Visibility & Service Design and Content business areas, while salaries paid for the period of notice and other restructuring provisions accounted for EUR 3.6 million (EUR 1.9 million). Non-recurring income totaled EUR 1.8 million (EUR 2.6 million), of which gains on the disposal of fixed assets represented EUR 1.6 million (EUR 0.3 million) and gains on the disposal of business operations EUR 0.2 million. The Group's operating profit excluding non-recurring items was EUR -1.9 million (EUR -0.1 million).

The consolidated operating profit was weighed down primarily by the impairment of goodwill, a significant decline in the net revenue of Ottoboni Sweden AB and the non-recurring expenses caused by the closure of the Gothenburg unit. The operating profit was also negatively affected by rationalization measures carried out to improve the profitability of Citrus Agency AB, losses in the Swedish printing business and the non-recurring expenses caused by the divestment of Edita Bobergs AB's sheet-fed offset printing business. Edita Publishing Oy's profit also decreased slightly from the previous year. Other Group companies improved their results.

Market Review

Nordic Morning's home markets, Finland and Sweden, are developing at different rates. Media investments increased by over three percent in Sweden in 2016, while the rate of increase in Finland was 0.9 percent. Online services, mobile solutions and social media continued to be the primary areas of growth in the demand for marketing communications. Marketers are focusing on digital media as well as their own online services and blogs. The significance of leveraging data, analytics and technology is increasing.*

Outlook for 2017

The demand for marketing communications is expected to increase, particularly in Sweden, but slight growth is also anticipated in Finland. Online services, mobile solutions and social media will continue to be the primary areas of demand growth. In Sweden, media investments are predicted to grow as much as over four percent from the previous year. In online marketing the focus is on display and search engine advertising, mobile advertising, social media as well as own online services and blogs.*

Nordic Morning will reinforce its position in the Nordic region by providing innovative, data-driven services that combine strategic content, user-oriented design, optimal visibility and customer dialogue. For being able to meet our customers' needs, we will invest in continuous competence and service development. Nordic Morning's strength lies in broad-based talent and close internal cooperation, which enable us to take a comprehensive approach to our customer's challenges.

The Nordic Morning Group and Changes in Group Structure

Nordic Morning's business areas were complemented by the addition of Data & Insights on March 1, 2016. The Group is now organized into four business areas:

- *Data & Insights*, comprised of CountQuest Interactive AB.
- *Visibility & Service Design*, comprised of Klikkicom Oy, Klikki AB, Ottoboni Sweden AB and Ottoboni Finland Oy.
- *Content*, comprised of Citrus Agency AB, Citrus Agency Oy, Citrus Ukraine LLC, Edita Publishing Ltd and Mods Graphic Studio AB.
- *Campaigns & Dialogue*, comprised of Edita Prima Oy, Edita Bobergs AB, Seed Digital Media Ltd and the associated companies Edita Bobergs Förvaltnings AB and BrandSystems AB.

In March, the Group acquired CountQuest Interactive AB, which specializes in data management and analytics, and sold the sheet-fed offset printing business of Edita Bobergs AB to Åtta.45 AB.

*Sources: Institute for Advertising and Media Statistics (Institutet för Reklam- och Mediestatistik, IRM), Revised Advertising and Media Forecast 2016–2017, Dec. 9, 2016; Association of Finnish Advertisers, Advertising Barometer 2017, Jan. 10, 2017; Kantar TNS, Advertising in Finland in 2016, Jan. 31, 2017.

Consolidated Net Revenue by Business Area

Consolidated net revenue was EUR 103.4 million (EUR 104.9 million). Net revenue in Finland was EUR 41.0 million (EUR 39.9 million). Net revenue in other EU countries was EUR 59.8 million (EUR 62.0 million) and exports outside the EU totaled EUR 2.5 million (EUR 3.0 million). Of the Group's net revenue, 40 percent (39) came from Finland and 60 percent (61) from Sweden and other Nordic countries. The decline in consolidated net revenue was primarily due to the restructuring of the printing business in Sweden and the contraction of the net revenue of the Content business area. The Visibility & Service Design business area's net revenue grew by over 20 percent.

Revenue (EUR 1,000)	2016	2015	Change 2016–2015
Data & Insights	2 523	-	
Visibility & Service Design	34 670	28 775	20,5 %
Content	35 067	38 038	-7,8 %
Campaigns & Dialogue	32 432	39 695	-18,3 %
Group-internal revenue and other operations	-1 294	-1 600	19,1 %
Group	103 399	104 909	-1,4 %

The **Data & Insights** business area comprises CountQuest Interactive AB, which was acquired in March. The business area's net revenue was EUR 2.5 million.

The **Visibility & Service Design** business area's net revenue was EUR 34.7 million (EUR 28.8 million). In the Klikki Group, net revenue was increased by higher subcontract invoicing, but net revenue from the Klikki Group's own work also grew. The net revenue of Otoboni Sweden AB declined significantly due to the closure of the Gothenburg unit.

The **Content** business area's net revenue was EUR 35.1 million (EUR 38.0 million). Net revenue declined the most in Sitrus Agency AB due to cost saving measures implemented by significant customers. Edita Publishing Oy's net revenue decreased slightly from the previous year.

The **Campaigns & Dialogue** business area's net revenue was EUR 32.4 million (EUR 39.7 million). Net revenue decreased particularly in Sweden, where Edita Bobergs divested its sheet-fed offset printing business in March. In Finland, net revenue declined much less than in previous years.

Operating Profit by Business Area

The Group's operating profit was EUR -14.3 million (EUR -0.2 million), which is EUR 14.1 million lower than in the previous year. The operating profit included a substantially larger amount of non-recurring items than in the previous year at EUR -12.4 million (EUR -0.2 million). The costs of one-time measures totaled EUR 14.1 million (EUR 2.7 million), most of which was attributable to impairment of goodwill of EUR 10.0 million (EUR 0.5 million) recognized in the Visibility & Service Design and Content business areas, while salaries paid for the period of notice and other restructuring provisions accounted for EUR 3.6 million (EUR 1.9 million). Non-recurring income totaled EUR 1.8 million (EUR 2.6 million), of which gains on the disposal of fixed assets represented EUR 1.6 million (EUR 0.3 million) and gains on the disposal of business operations EUR 0.2 million.

Operating profit/loss (EUR 1,000)	2016	2015
Data & Insights	340	-
Visibility & Service Design	-7 254	-695
Content	-4 573	2 181
Campaigns & Dialogue	-139	1 325
Other operations	-2 656	-3 034
Group	-14 282	-224
Operating Profit %	-13,8 %	-0,2 %

The Group's operating profit excluding non-recurring items was EUR -1.9 million (EUR -0.1 million). The consolidated operating profit was weighed down primarily by the impairment of goodwill, a significant decline in the net revenue of Ottoboni Sweden AB and the non-recurring expenses caused by the closure of the Gothenburg unit. The operating profit was also negatively affected by rationalization measures carried out to improve the profitability of Citrus Agency AB, losses in the Swedish printing business and the non-recurring expenses caused by the divestment of Edita Bobergs AB's sheet-fed offset printing business. Edita Publishing Oy's profit also decreased slightly from the previous year. Other Group companies improved their results.

The **Data & Insights** business area's operating profit was EUR 0.3 million. CountQuest Interactive AB, acquired in March, achieved a better result than expected thanks to strong growth in net revenue.

The **Visibility & Service Design** business area's operating loss was EUR -7.3 million (EUR -0.7 million). The result was weighed down by non-recurring items of EUR -6.3 million (EUR -0.5 million), primarily arising from the impairment of goodwill of Ottoboni Sweden AB (EUR 4.9 million) and the rationalization of its business operations (EUR 1.4 million). The Klikki Group's result showed a profit and was substantially improved from the previous year in both Finland and Sweden. Ottoboni Finland Oy also improved its result year-on-year.

The **Content** business area's operating loss was EUR -4.6 million (profit: EUR 2.2 million). The result included non-recurring items of EUR -6.4 million (EUR -1.2 million), primarily arising from the impairment of goodwill of Content Sweden (EUR 5.1 million) and operational restructuring costs in Citrus AB (EUR 1.3 million). Edita Publishing Ltd's result was slightly weaker than in the previous year due to investments in digital product and service development. Mods Graphic Studio continued its good profit performance and increased its operating profit.

The **Campaigns & Dialogue** business area's operating loss was EUR -0.1 million (profit: EUR 1.3 million). The result includes EUR 0.4 million (EUR 1.8 million) in net non-recurring items related to gains on the disposal of fixed assets and business operations as well as restructuring costs. In Sweden, the business area's result excluding non-recurring items showed a loss and was weaker than in the previous year. The result of the business area's operations in Finland showed a profit and improved from the previous year.

Other Operations include group administration, the operating profit of which was EUR -2.7 million (EUR -3.0 million). The result largely consists of group administration costs. During the financial year, IT and financial administration functions in Sweden were centralized in group administration. The result includes EUR 0.4 million in non-recurring profit from the sale of land owned by Nordic Morning Plc.

The Parent Company

The net revenue of the Group's parent company, Nordic Morning Plc, was EUR 4.5 million (EUR 4.6 million), and profit for the financial year was EUR -22.7 million (EUR 8.1 million). The parent company's balance sheet totaled EUR 67.5 million (EUR 95.9 million) at the end of the period.

Financial Position

The net cash flow from the Group's operating activities was EUR 3.5 million (EUR 0.5 million). Investments totaled EUR 3.0 million (EUR 8.7 million). Loan installments and repayments of leasing liabilities amounted to EUR 11.1 million (EUR 9.2 million). The Group's cash and cash equivalents at the end of the year totaled EUR 1.0 million (EUR 4.8 million).

The Group's equity ratio was 36.2 percent (48.6 percent). The equity ratio was weighed down by the negative operating result.

	2016	2015
Return on equity (ROE), %	-53,4 %	-0,6 %
Equity-to-assets ratio, %	36,3 %	48,6 %

Investments

The Group's gross capital expenditure, as per international financial statements standards (IFRS), was EUR 5.3 million (EUR 7.8 million). The most significant investment was the acquisition of CountQuest Interactive AB in March. The parent company's gross capital expenditure, as per Finnish accounting legislation, was EUR 3.9 million (EUR 6.9 million).

Personnel

During the financial year, the Group employed an average of 653 (709) persons (full-time equivalents). The parent company employed an average of 31 (31) persons.

The average number of employees fell by 49 persons in the Campaigns & Dialogue business area, by 17 persons in the Content business area and by 12 persons in the Visibility & Service Design business area. The acquisition of CountQuest Interactive AB increased the number of employees in the Data & Insights business area by 17 persons.

Of the Group's employees, 40 percent (38%) work in Finland and 60 percent (62%) in other countries, mainly in Sweden.

The key strategic themes in HR management during the year were strengthening the commitment of personnel and developing the employer image. An employer promise was drawn up for the Group in the spring. The internal employer image was developed further and a culture survey was launched in the fall.

The mentoring phase of the development program for high-potential employees, The Nordic Bond 002, was completed in the spring. A new nine-month mentoring program started in the fall.

Average number of employees in full-time equivalents	2016	2015	Change 2016–2015
Data & Insights	17	-	
Visibility & Service Design	159	171	-7,0 %
Content	263	280	-6,1 %
Campaigns & Dialogue	170	219	-22,4 %
Other operations	44	39	12,8 %
Group	653	709	-7,9 %
Per country			
Finland	263	271	-3,0 %
Sweden	373	416	-10,3 %
Other countries	17	22	-22,7 %
Group	653	709	-7,9 %
Employee benefits expense (EUR 1,000)	49 513	50 645	-2,2 %

Compensation

The compensation of the CEO and members of the Group Management Team consists of a fixed monthly salary, standard benefits, and a performance-based short and long term incentives with criteria that must be met for the incentives to be paid. Nordic Morning Plc does not use incentive systems based on shares or share derivatives.

In addition to that CEO and CFO have supplementary pension benefit. The agreed retirement age of the CEO of the parent company was 62 years. The annual payment for the defined contribution plan supplementary pension of the CEO was EUR 71,206 (108,279) in 2016, while that of the CFO was EUR 21,247 (21,091).

The Board of Directors of Nordic Morning Plc decides the terms and conditions of the contracts of the CEO and members of the Group Management Team. Every year the Board sets targets, based on the budget and operating plans, that must be met for incentives to be paid, and decides on the compensation of the CEO and members of the Group Management Team. As regards others than the CEO and members of the Group Management Team, the Board decides on the principles of compensation.

The CEO is entitled to a performance-based short- and long-term incentives, which is no more than 40 percent of their annual taxable earnings. The members of the Group Management Team are entitled to a short- and long-term performance-based incentives, which is no more than 30 percent of their annual taxable earnings. The short-term performance-based incentive is tied to the operating profit and to personal targets. In 2016, there were no valid long-term program.

The management has a short-term incentive program for which no money was accrued in 2016. The Group also had a long-term incentive program for management related to the financial years 2013–2015, for which EUR 21 thousand was accrued in the comparison period 2015. The total amount accrued for the long-term program was EUR 94 thousand.

The total short-term and long-term provision in the financial statements at the end of the financial year 2016 amounted to EUR 41 thousand (144). The CEO's share of the provision is EUR 14 (41) thousand, and that of other members of the Group Management Team is EUR 27 (103) thousand.

Accumulated incentives EUR 1,000	CEO		Other members of the Group Management Team		Total	
	2016	2015	2016	2015	2016	2015
Short-term incentive program	0	0	0	0	0	0
Long-term incentive program	0	5	0	16	0	21
Additional incentives	110	0	0	23	110	23
Severance payment	124	0	0	0	0	0
Fees paid and termination provisions EUR 1,000				2016		2015
CEO				274		260
Other members of the Group Management Team				997		975
Termination benefits				0		96
Group Management Team, total				1 272		1 331

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 communications industry, risks related to operations as well as the development of the value of the Swedish krona. The Group's risks are assessed on a regular basis as part of operational planning and reporting.

Sluggish economic development—particularly in Finland—and cost-saving pressures among organizations have an impact on the demand for communication services. At the same time, technical development and changes in media consumption influence the communication needs of organizations. Nordic Morning strives to predict changes in the markets and the development needs of its services by co-operating closely with customers.

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.

The keys to business growth are developing new digital competencies and recruitment. Failing to achieve these could cause substantial challenges for the business.

Nordic Morning 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 Data & Insights, Visibility & Service Design and Content business areas. If the structural change of the communication market continues to occur more intensely than anticipated, the Group may have to consider additional write-downs of goodwill, most likely in the Content business area.

As a result of acquisitions, the 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 co-operation and information sharing between the Group companies.

The 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 year.

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

Corporate Responsibility

Nordic Morning releases annual Corporate Responsibility Reports as part of its Annual Reports available at <http://reporting.nordicmorning.com>. The report is prepared according to the GRI (Global Reporting Initiative) guidelines.

For Nordic Morning, 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 Group operates. The Group's tax footprint is reported annually as part of financial responsibility.

Social responsibility means acting in accordance with the 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 ethical principles. Key aspects of social responsibility include employee well-being, supporting continuous learning, competence development as well as inspiring and caring leadership.

We support the Mahis activities of Nuorten Akatemia (Finnish Youth Academy), which are aimed at preventing social exclusion among young people. In 2016, we granted support to six projects developed by young people.

The Group's environmental strategy is based on environmental awareness, environmentally responsible operations, services and products. The production plants in Helsinki and Falun are ISO14001 certified, climate-neutral, and entitled to use the Swan ecolabel. Moreover, they have been granted the right to use the paper chain of custody labels. Nordic Morning 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 31, 2016, decided to elect Per Sjärdell as the new Chairman of the Board of Directors of Nordic Morning, with Jukka Ruuska as the Vice Chairman. Maritta Iso-Aho, Anni Ronkainen, Petri Vihervuori and Anne Årneby continued as members of the Board of Directors.

The company's CEO during the financial year 2016 was Timo Lepistö, LL.M. On October 24, 2016, the company announced that Anne Årneby has been appointed the Group's new CEO effective from January 12, 2017. On December 21, 2016, Anne Årneby announced her resignation from the Board of Directors effective from January 12, 2017.

The Annual General Meeting elected KPMG Oy AB, Authorized Public Accountants, as the Auditor, and Minna Riihimäki, APA, as the principal auditor.

Board's Proposal on the Disposal of Distributable Funds

Nordic Morning Plc's equity was EUR 38,950,510.16 at the end of the financial year. The company's distributable funds are EUR 7,080,899.82, of which the loss for the financial year was EUR -22,691,943.08.

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	EUR <u>5,080,899.82</u>
	EUR 7,080,899.82

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 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.nordicmorning.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.–31.12.2016	1.1.–31.12.2015
NET REVENUE	103 399	104 909
Other operating income	2 259	3 027
Change in inventories of finished and unfinished goods	-1	-181
Work performed for company use	205	158
Materials and services	-35 973	-32 455
Employee benefits expense	-49 513	-50 645
Depreciation	-4 077	-4 373
Impairment	-9 972	-535
Other operating expenses	-20 660	-20 253
Share of profit in associates	52	124
OPERATING PROFIT	-14 282	-224
Financial income	56	84
Financial expenses	-310	-215
PROFIT BEFORE TAXES	-14 536	-356
Income taxes	143	132
PROFIT FOR THE FINANCIAL YEAR	-14 392	-224
Distribution		
Parent company's shareholders	-14 287	-133
Non-controlling interest	-106	-90
Earnings per share calculated on the profit attributable to shareholders of the parent company:		
earnings per share, EUR	-2,38	-0,02

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

	1.1.–31.12.2016	1.1.–31.12.2015
PROFIT FOR THE FINANCIAL YEAR	-14 392	-224
Other comprehensive income		
Items that may be recognized through profit and loss later		
Available-for-sale financial assets	-18	57
Translation differences	150	149
Taxes relating to OCI items	4	-11
Post-tax OCI items for the financial year	135	195
ACCUMULATED COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR	-14 257	-28
Distribution of comprehensive income		
Parent company's shareholders	-14 143	55
Non-controlling interest	-115	-84

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

ASSETS	31.12.2016	31.12.2015
NON-CURRENT ASSETS		
Tangible fixed assets	11 073	16 606
Goodwill	14 587	23 024
Other intangible assets	2 952	2 318
Interests in associated companies	1 184	1 340
Other financial assets	413	451
Deferred tax assets	85	92
	30 294	43 832
CURRENT ASSETS		
Inventories	2 286	2 527
Sales receivables and other receivables	20 842	24 339
Tax receivables based on taxable income for the financial year	59	46
Other current financial assets	146	164
Cash and cash equivalents	1 007	4 823
	24 340	31 899
Total assets	54 634	75 731
EQUITY AND LIABILITIES		
31.12.2016		
31.12.2015		
SHAREHOLDERS' EQUITY		
Share capital	6 000	6 000
Share premium fund	25 870	25 870
Translation differences	-377	-536
Fair value fund	102	116
Retained earnings	-12 944	3 343
Shareholders' equity attributable to parent company shareholders	18 650	34 793
Non-controlling interest	157	272
Total shareholders' equity	18 807	35 065
LIABILITIES		
Non-current liabilities		
Financial liabilities	5 035	7 188
Non-current provisions	288	245
Deferred tax liabilities	826	790
	6 149	8 223
Current liabilities		
Current financial liabilities	1 992	7 485
Accounts payable and other current liabilities	27 574	24 873
Tax liabilities based on taxable income for the financial year	113	85
	29 678	32 443
Total liabilities	35 827	40 666
Total shareholders' equity and liabilities	54 634	75 731

Consolidated statement of cash flows (EUR 1,000)

	1.1.–31.12.2016	1.1.–31.12.2015
Cash flow from operating activities		
Profit for the financial year	-14 392	-224
Adjustments		
Non-cash transactions	12 545	4 172
Interest expenses and other financial expenses	310	215
Interest income	-56	-84
Dividend income	-7	-6
Taxes	-143	-132
Changes in working capital		
Change in sales receivables and other receivables	4 119	-521
Change in inventories	242	214
Change in accounts payable and other liabilities	1 165	-2 668
Change in provisions	43	-83
Interest paid	-282	-301
Interest received	47	83
Taxes paid (-) received (+)	-77	-156
Net cash flow from operating activities (A)	3 514	510
Cash flow from investing activities		
Sale of business operations (net of cash)	182	0
Sale of tangible fixed assets	5 180	2 232
Acquisition of subsidiaries and businesses (net of cash and equivalents acquired)	-2 301	-7 371
Investments in tangible fixed assets	-640	-1 154
Investments in intangible assets	-72	-214
Dividends received	164	151
Net cash flow from investing activities (B)	2 512	-6 355
Cash flow from financing activities		
Borrowing	0	12 500
Repayment of loans	-7 064	-8 465
Finance lease liabilities	-870	-767
Dividends paid	-2 000	-2 000
Net cash flow from financing activities (C)	-9 935	1 269
Change in cash and cash equivalents (A+ B + C)	-3 908	-4 576
Cash and cash equivalents at start of the period	4 823	9 277
Effect of changes in exchange rates	92	121
Cash and cash equivalents at end of the period	1 007	4 823

Consolidated statement of changes in shareholders' equity (IFRS) (EUR 1,000)

	Shareholders' equity attributable to parent company shareholders					Total	Non-controlling interest	Total shareholders' equity
	Share capital	Share premium fund	Trans-lation dif-ferences	Fair value fund	Retained earnings			
Shareholders' equity, January 1, 2015	6 000	25 870	-679	72	5 476	36 737	356	37 093
Comprehensive income								
Profit for financial year					-133	-133	-90	-224
Other comprehensive income (adjusted with tax effect)								
Available-for-sale financial assets				46		46		46
Translation differences			143			143	6	149
Accumulated comprehensive income for the financial year			143	46	-133	55	-84	-28
Transaction with owners								
Dividend distribution					-2 000	-2 000		-2 000
Shareholders' equity, December 31, 2015	6 000	25 870	-536	116	3 343	34 793	272	35 065
Shareholders' equity, January 1, 2016	6 000	25 870	-536	116	3 343	34 793	272	35 065
Comprehensive income								
Profit for financial year					-14 287	-14 287	-106	-14 392
Other comprehensive income (adjusted with tax effect)								
Available-for-sale financial assets				-15		-15		-15
Translation differences			159			159	-9	150
Accumulated comprehensive income for the financial year			159	-15	-14 287	-14 143	-115	-14 257
Transaction with owners								
Dividend distribution					-2 000	-2 000		-2 000
Shareholders' equity, December 31, 2016	6 000	25 870	-377	102	-12 944	18 650	157	18 807