

Brother Nordic A/S
Baldershøj 22
2635 Ishøj
Central Business Registration No
54034628

Annual report 2016/17

The Annual General Meeting adopted the annual report on 06.06.2017

Chairman of the General Meeting

Name: John Lars Manelius

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Entity details

Entity

Brother Nordic A/S
Baldershøj 22
2635 Ishøj

Central Business Registration No: 54034628

Registered in: Ishøj

Financial year: 01.04.2016 - 31.03.2017

Phone: +4543313131

Website: www.brother.dk

E-mail: info@brother.dk

Board of Directors

Isao Noji, Chairman

John Lars Manelius

Hiroyuki Kachi

Executive Board

John Lars Manelius, Chief Executive Officer

Auditors

Deloitte Statsautoriseret Revisionspartnerselskab

Weidekampsgade 6

P.O. Box 1600

0900 Copenhagen C

Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Brother Nordic A/S for the financial year 01.04.2016 - 31.03.2017.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2017 and of the results of its operations and cash flows for the financial year 01.04.2016 - 31.03.2017.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Ishøj, 24.04.2017

Executive Board

John Lars Manelius
Chief Executive Officer

Board of Directors

Isao Noji
Chairman

John Lars Manelius

Hiroyuki Kachi

Independent auditor's report

To the shareholder of Brother Nordic A/S

Opinion

We have audited the financial statements of Brother Nordic A/S for the financial year 01.04.2016 - 31.03.2017, which comprise the income statement, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.03.2017 and of the results of its operations and cash flows for the financial year 01.04.2016 - 31.03.2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 24.04.2017

Deloitte

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Jens Jørgensen Baes

State Authorised Public Accountant

Management commentary

	2016/17	2015/16	2014/15	2013/14	2012/13
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Financial highlights					
Key figures					
Revenue	65.452	65.140	66.542	66.989	66.159
Gross profit/loss	9.933	9.507	10.358	10.150	10.331
Operating profit/loss	1.934	3.292	2.537	2.330	2.687
Net financials	(34)	(614)	(322)	(371)	(281)
Profit/loss for the year	1.522	1.970	1.688	1.265	1.785
Total assets	43.736	41.734	49.010	46.434	45.668
Investments in property, plant and equipment	350	196	992	787	198
Equity	32.798	31.276	38.148	37.095	36.720
Ratios					
Gross margin (%)	15,2	14,6	15,6	15,2	15,6
Net margin (%)	2,3	3,0	2,5	1,9	2,7
Return on equity (%)	4,8	5,7	4,5	3,4	4,7
Equity ratio (%)	75,0	74,9	77,8	79,9	80,4

Financial highlights are defined and calculated in accordance with "Recommendations & Ratios 2015" issued by the Danish Society of Financial Analysts.

Ratios	Calculation formula	Ratios
Gross margin (%)	$\frac{\text{Gross profit/loss} \times 100}{\text{Revenue}}$	The entity's operating gearing.
Net margin (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Revenue}}$	The entity's operating profitability.
Return on equity (%)	$\frac{\text{Profit/loss for the year} \times 100}{\text{Average equity}}$	The entity's return on capital invested in the entity by the owners.
Equity ratio (%)	$\frac{\text{Equity} \times 100}{\text{Total assets}}$	The financial strength of the entity.

Management commentary

Primary activities

The Company's activities mainly consist in the sale of printers, All in One printers, labelling systems, scanners, mobility printing products and video conference systems as well as accessories and consumables, etc to these products.

Development in activities and finances

Despite the fact that the Nordic printing market declined in the number of units by ÷8.4% (Denmark, Sweden and Finland more or less the same decline, but the Norwegian market declined much sharper by ÷17.7%), the Company was able to keep its market share at same level as the year before.

Although the market decline and the market share were flat, the Company ended the financial year with a growth rate of +2.5% compared to last year, and so we consider the performance satisfactory. We began to see a positive development in our medium-term/long-term strategy of moving our centre of gravity from our current business model SOHO to a more SMB/corporate and solution sales business model, but at the same time of securing our current core business (SOHO).

This year's objective was both to invest in our new medium-term/long-term strategy, but at the same time to secure the Company's profitability by carefully monitoring all operating expenses. We are happy to say that we succeeded in this and that the operating profit for the year is considered satisfactory.

Uncertainty relating to recognition and measurement

No particular uncertainties are attached to recognition and measurement.

Unusual circumstances affecting recognition and measurement

No unusual circumstances exist.

Outlook

For 2017 we believe the printing market will stay flat or slightly decline, so for printing business we don't expect any significant growth. For the other business segments, we have business in we expect to grow, but still today these business segments are fairly small for us so no significant growth in total turnover is expected for next year. Profit is estimated to be slightly less than this FY16/17 mainly because of increased expenses.

Particular risks

The Company is not subject to any particular business risks.

Financial exposure

The Company is not materially exposed to foreign exchange risks.

Intellectual capital resources

The employees improve their qualifications on a current basis in order to constantly have the required and relevant skills.

Environmental performance

The Company falls within and fully complies with the European WEEE and RoHs regulations. The Company is ISO 14001 certified. Some of the Company's core products are marked with the Nordic Ecolabel.

Management commentary

Research and development activities

The Company does not perform specific research and development activities.

Foreign branches

Finance Director Eeva Miettinen, Brother Finland, branch of Brother Nordic A/S, Tanska, sivuliike Suomessa, Honkanummentie 2, 01260 Vantaa, Finland

Country Manager Geir Langedrag, Brother Norway, branch of Brother Nordic A/S, Oluf Onsumsvei 11, 0680 Oslo, Norway

Country Manager Mats Tommy Valentin Svensson, Brother Sweden, branch of Brother Nordic A/S, Hulda Lindgrens gata 6B, 421 31 Västra Frölunda, Sweden

Statutory report on corporate social responsibility

The Company is covered by the Group's guidelines on corporate social responsibility. The guidelines are available on the Group's website; see the following link:

<http://www.brother.dk/about-brother/brother-earth>

Statutory report on the underrepresented gender

The Company has a policy on gender composition of management, as the Company sees diversity as a strength that helps secure access to the best talents. The policy is available on the Company's website; see the following link:

<http://www.brother.dk/~media/d40d68291b1d4d2cb2159ac112b0c5cf.pdf?la=da-dk>

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2016/17

	<u>Notes</u>	<u>2016/17 EUR'000</u>	<u>2015/16 EUR'000</u>
Revenue	1	65.452	65.140
Other operating income		211	335
Cost of sales		(45.368)	(44.268)
Other external expenses		<u>(10.362)</u>	<u>(11.700)</u>
Gross profit/loss		9.933	9.507
Staff costs	2	(6.757)	(6.610)
Depreciation, amortisation and impairment losses	3	<u>(1.242)</u>	<u>395</u>
Operating profit/loss		1.934	3.292
Other financial income	4	697	814
Other financial expenses	5	<u>(731)</u>	<u>(1.428)</u>
Profit/loss before tax		1.900	2.678
Tax on profit/loss for the year	6	<u>(378)</u>	<u>(708)</u>
Profit/loss for the year	7	<u>1.522</u>	<u>1.970</u>

Balance sheet at 31.03.2017

	<u>Notes</u>	<u>2016/17 EUR'000</u>	<u>2015/16 EUR'000</u>
Goodwill		844	1.688
Intangible assets	8	844	1.688
Land and buildings		2.629	2.718
Other fixtures and fittings, tools and equipment		868	1.027
Leasehold improvements		10	12
Property, plant and equipment	9	3.507	3.757
Deposits		64	64
Fixed asset investments	10	64	64
Fixed assets		4.415	5.509
Manufactured goods and goods for resale		10.874	13.934
Inventories		10.874	13.934
Trade receivables		7.043	6.908
Receivables from group enterprises		379	366
Other receivables		57	146
Income tax receivable		95	474
Prepayments	11	138	114
Receivables		7.712	8.008
Cash		20.735	14.283
Current assets		39.321	36.225
Assets		43.736	41.734

Balance sheet at 31.03.2017

	<u>Notes</u>	<u>2016/17</u> <u>EUR'000</u>	<u>2015/16</u> <u>EUR'000</u>
Contributed capital		5.632	5.632
Retained earnings		25.976	25.644
Proposed dividend		<u>1.190</u>	<u>0</u>
Equity		<u>32.798</u>	<u>31.276</u>
Deferred tax		406	550
Other provisions	12	<u>430</u>	<u>490</u>
Provisions		<u>836</u>	<u>1.040</u>
Trade payables		979	962
Payables to group enterprises		4.384	4.809
Other payables		<u>4.739</u>	<u>3.647</u>
Current liabilities other than provisions		<u>10.102</u>	<u>9.418</u>
Liabilities other than provisions		<u>10.102</u>	<u>9.418</u>
Equity and liabilities		<u>43.736</u>	<u>41.734</u>
Group relations	14		

Statement of changes in equity for 2016/17

	Contributed capital EUR'000	Retained earnings EUR'000	Proposed dividend EUR'000	Total EUR'000
Equity beginning of year	5.632	25.644	0	31.276
Profit/loss for the year	0	332	1.190	1.522
Equity end of year	5.632	25.976	1.190	32.798

Cash flow statement 2016/17

	<u>Notes</u>	<u>2016/17</u> <u>EUR'000</u>	<u>2015/16</u> <u>EUR'000</u>
Operating profit/loss		1.934	3.292
Amortisation, depreciation and impairment losses		1.242	(395)
Other provisions		(60)	(10)
Working capital changes	13	<u>3.664</u>	<u>(1.816)</u>
Cash flow from ordinary operating activities		6.780	1.071
Financial income received		697	814
Financial income paid		(731)	(1.428)
Income taxes refunded/(paid)		<u>(146)</u>	<u>(630)</u>
Cash flows from operating activities		<u>6.600</u>	<u>(173)</u>
Acquisition etc of property, plant and equipment		(350)	(196)
Sale of property, plant and equipment		202	4.904
Other cash flows from investing activities		<u>0</u>	<u>123</u>
Cash flows from investing activities		<u>(148)</u>	<u>4.831</u>
Dividend paid		<u>0</u>	<u>(8.842)</u>
Cash flows from financing activities		<u>0</u>	<u>(8.842)</u>
Increase/decrease in cash and cash equivalents		6.452	(4.184)
Cash and cash equivalents beginning of year		<u>14.283</u>	<u>18.467</u>
Cash and cash equivalents end of year		<u>20.735</u>	<u>14.283</u>

Notes

	2016/17	2015/16
	EUR'000	EUR'000
1. Revenue		
Nordic domestic market	65.285	65.104
Export market	167	36
	65.452	65.140

	2016/17	2015/16
	EUR'000	EUR'000
2. Staff costs		
Wages and salaries	5.298	5.217
Pension costs	434	437
Other social security costs	761	705
Other staff costs	264	251
	6.757	6.610
Average number of employees	79	81

Pursuant to section 98b(3)(2) of the Danish Financial Statements Act, the remuneration to Management has not been disclosed separately.

	2016/17	2015/16
	EUR'000	EUR'000
3. Depreciation, amortisation and impairment losses		
Amortisation of intangible assets	844	844
Depreciation of property, plant and equipment	431	488
Profit/loss from sale of intangible assets and property, plant and equipment	(33)	(1.727)
	1.242	(395)

	2016/17	2015/16
	EUR'000	EUR'000
4. Other financial income		
Exchange rate adjustments	692	789
Other financial income	5	25
	697	814

Notes

	2016/17	2015/16
	EUR'000	EUR'000
5. Other financial expenses		
Exchange rate adjustments	626	1.150
Other financial expenses	105	278
	731	1.428
	2016/17	2015/16
	EUR'000	EUR'000
6. Tax on profit/loss for the year		
Tax on current year taxable income	523	365
Change in deferred tax for the year	(145)	341
Adjustment concerning previous years	0	2
	378	708
	2016/17	2015/16
	EUR'000	EUR'000
7. Proposed distribution of profit/loss		
Ordinary dividend for the financial year	1.190	0
Retained earnings	332	1.970
	1.522	1.970
		Goodwill
		EUR'000
8. Intangible assets		
Cost beginning of year		5.907
Cost end of year		5.907
Amortisation and impairment losses beginning of year		(4.219)
Amortisation for the year		(844)
Amortisation and impairment losses end of year		(5.063)
Carrying amount end of year		844

Notes

	Land and buildings EUR'000	Other fixtures and fittings, tools and equipment EUR'000	Leasehold improve- ments EUR'000
9. Property, plant and equipment			
Cost beginning of year	3.168	1.934	274
Additions	0	350	0
Disposals	0	(416)	0
Cost end of year	3.168	1.868	274
Depreciation and impairment losses beginning of the year	(450)	(907)	(262)
Depreciation for the year	(89)	(340)	(2)
Reversal regarding disposals	0	247	0
Depreciation and impairment losses end of the year	(539)	(1.000)	(264)
Carrying amount end of year	2.629	868	10
			Deposits EUR'000
10. Fixed asset investments			
Cost beginning of year			64
Cost end of year			64
Carrying amount end of year			64
11. Prepayments			
Prepayments comprise prepaid expenses.			
12. Other provisions			
The item includes warranty commitments calculated on the basis of historical knowledge of warranty expenses.			

Notes

	2016/17	2015/16
	EUR'000	EUR'000
13. Change in working capital		
Increase/decrease in inventories	3.060	(1.629)
Increase/decrease in receivables	(83)	550
Increase/decrease in trade payables etc	687	(737)
	3.664	(1.816)

14. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the largest group:
Brother Industries Ltd., Nagoya, Japan

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:
Brother Holding (Europe) Ltd., Manchester, United Kingdom

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class C enterprises (large).

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date. Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the rate in effect at the payment date, or the rate at the balance sheet date, are recognised in the income statement as financial income or financial expenses. Property, plant and equipment, intangible assets, inventories and other non-monetary assets that have been purchased in foreign currencies are translated using historical rates.

Income statement

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Other operating income

Other operating income comprises income of a secondary nature as viewed in relation to the Entity's primary activities, including rental income and gains from the sale of intangible assets and property, plant and equipment.

Accounting policies

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages as well as social security contributions, pension contributions, etc for entity staff.

Depreciation, amortisation and impairment losses

Amortisation, depreciation and impairment losses relating to intangible assets and property, plant and equipment comprise amortisation, depreciation and impairment losses for the financial year, calculated on the basis of the residual values and useful lives of the individual assets and impairment testing as well as gains and losses from the sale of intangible assets as well as property, plant and equipment.

Other financial income

Other financial income comprises interest income as well as realised and unrealised capital gains on payables and transactions in foreign currencies.

Other financial expenses

Other financial expenses comprise interest expenses as well as realised and unrealised capital losses on payables and transactions in foreign currencies.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet

Goodwill

Goodwill is amortised straight-line over its estimated useful life which is fixed based on the experience gained by Management for each business area. The amortisation period is seven years.

Goodwill is written down to the lower of recoverable amount and carrying amount.

Property, plant and equipment

Land and buildings, other fixtures and fittings, tools and equipment as well as leasehold improvements are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated.

Accounting policies

Cost comprises the acquisition price, costs directly attributable to the acquisition and preparation costs of the asset until the time when it is ready to be put into operation.

Leasehold improvements are recognised if the recoverable amount of the costs is of use for the Company.

The basis of depreciation is cost less estimated residual value after the end of useful life. Straight-line depreciation is made on the basis of the following estimated useful lives of the assets:

Buildings	33 years
Other fixtures and fittings, tools and equipment	3-5 years
Leasehold improvements	max. 5 years

Property, plant and equipment are written down to the lower of recoverable amount and carrying amount.

Profits and losses from the sale of property, plant and equipment are calculated as the difference between selling price less selling costs and carrying amount at the time of sale. Profits or losses are recognised in the income statement as an adjustment to depreciation and impairment losses.

Inventories

Inventories are measured at the lower of cost using the average cost formula and net realisable value. Weighted average prices have been used at the calculation.

Cost consists of purchase price plus delivery costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value, less writedowns for bad and doubtful debts.

Income tax payable or receivable

Current tax payable or receivable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprises cash in hand and bank deposits.

Accounting policies

Dividend

Dividend is recognised as a liability at the time of adoption at the general meeting. Proposed dividend for the financial year is disclosed as a separate item in equity. Extraordinary dividend adopted in the financial year is recognised directly in equity when distributed and disclosed as a separate item in Management's proposal for distribution of profit/loss.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amount and tax-based value of assets and liabilities, for which the tax-based value of assets is calculated based on the planned use of each asset.

Deferred tax assets, including the tax base of tax loss carryforwards, are recognised in the balance sheet at their estimated realisable value, either as a set-off against deferred tax liabilities or as net tax assets.

Other provisions

Other provisions comprise anticipated costs of non-recourse guarantee commitments, returns, loss on contract work in progress, decided and published restructuring, etc.

Other provisions are recognised and measured as the best estimate of the expenses required to settle the liabilities at the balance sheet date. Provisions that are estimated to mature more than one year after the balance sheet date are measured at their discounted value.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Cash flow statement

The cash flow statement shows cash flows from operating, investing and financing activities as well as cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities are presented using the indirect method and calculated as the operating profit/loss adjusted for non-cash operating items, working capital changes and income taxes paid.

Cash flows from investing activities comprise payments in connection with acquisition and divestment of enterprises, activities and fixed asset investments as well as purchase and sale, etc of intangible assets and property, plant and equipment.

Cash flows from financing activities comprise changes in the size or composition of the contributed capital and related costs as well as the raising of loans, instalments on interest-bearing debt and payment of dividend.

Cash and cash equivalents comprise cash and short-term bank debt.