

AktieTorget's guidelines on financial reporting

Content:

1. What and when?
2. What to do regarding group relations
3. Quarterly statement
4. Content requirements
5. Forecast
6. Which financial reports should reference MAR? (NEW)
7. Reporting date (NEW)
8. Going concern principle (NEW)
9. Suggestion regarding report layout
10. The report is published through Cision

1. What and when?

A listed company must, on a quarterly basis, publish interim reports on its financial status:

- For the first and third quarters, an interim report or quarterly statement is published
- For the second quarter, a half-year report is published
- For the fourth quarter, a year-end report is published

Interim reports must be published no later than two months after the end of the reporting period.

2. What to do regarding group relations

If the company is a parent company, the interim report submitted must pertain to both the parent company and the group. This means that the report must contain an income statement and balance sheet for both the parent company and the group. However, if the position and earnings of the parent company lack significance in terms of assessing the group's position and earnings, information about the parent company need not be submitted. When applying this exemption, AktieTorget recommends that the company explains in the report why the parent company lacks significance. This exemption cannot be applied conversely for a group, for which only the parent company is significant to the group's position.

3. Quarterly statement

For the first and third quarters of the financial year, the company has the possibility of preparing a quarterly statement instead of an interim report. The quarterly statement must contain a brief description of the past quarter's most important events and performance, as well as information about sales, earnings and EPS for the period, with comparative figures for the equivalent period of the immediately preceding financial year. Furthermore, available cash and cash equivalents

shall be disclosed and the number of outstanding shares at the end of the period, as well as a disclosure of when the next report will be published. It shall also be stated whether the report has been subject to review by the company's auditors. If a review has been performed, the auditor's opinion shall be included in the report. The quarterly statement may not be called a quarterly report or interim report.

4. Content requirements

The following must be included in interim reports, half-year reports and year-end reports, as also set out in AktieTorget's listing agreement, Appendix 2, points 9–13.

- Condensed income statement with comparative figures for the equivalent period of the immediately preceding financial year
- Condensed balance sheet as at the close of the reporting period concerned, with comparative figures as at the close of the immediately preceding financial year
- Significant extraordinary income and expense
- Profit/loss, after tax, per share before and after extraordinary items, where relevant after full conversion of outstanding convertible debt instruments or full exercise of other certificates carrying the right to subscribe for new shares in the company
- A brief comment on the progression of earnings and position, with an emphasis on the latest quarter
- The number of outstanding shares at the end of the reporting period
- When the next report will be published
- A statement of whether the report has been reviewed by the company's auditors; if a review has been performed, the auditor's report shall be included in the interim report

For **year-end reports**, the following shall also be provided:

- Condensed cash flow statement for the financial year with comparative figures for the immediately preceding financial year
- Dividend proposal (if no dividend is proposed, this shall be stated)
- Where and when the complete annual report and, where relevant, consolidated financial statements will be made available
- A disclosure of the date and location of the AGM

5. Forecast

If the report contains a forecast or other forward-looking statements, the conditions forming the basis of the forecast or statement shall be disclosed, as also set out in AktieTorget's listing agreement, Appendix 2, point 16. The forecast shall also be subject to continual follow-up in future reports, in which the outcome shall be compared with the forecast.

6. (NEW) Which financial reports should reference MAR?

Since July 3, 2016, disclosure of inside information must include a so-called MAR label. When a company discloses a financial report containing inside information, the press release must therefore reference the EU's Market Abuse Regulation (MAR) with a MAR label. If the report does not contain inside information, the press release should not reference MAR. Determining whether a financial report contains inside information must be made on a case-by-case basis. If the company determines that the report contains inside information, a MAR label must be affixed

to the press release. Individual circumstances specific to the financial report may constitute inside information. Normally, however, it is the report in its entirety that potentially constitutes inside information.

Can the company delay disclosure of inside information in a financial report?

MAR does not contain any special provisions on this, nor have ESMA or the Swedish Financial Supervisory Authority published any guidance. In AktieTorget's assessment, companies may assume until further notice that they have a legitimate interest in delaying disclosure of inside information until the announced reporting date if the other conditions for delayed disclosure are met. If it is a case of a profit warning (see below), delayed disclosure would probably mislead the market, so immediate disclosure is necessary.

If the financial results significantly deviate from what the market can reasonably expect based on previously released information from the company, information of such a deviation may constitute inside information and should therefore be published as soon as possible. This is usually called a profit warning or reverse profit warning.

If the financial results and the information in the report fall within what can be considered a normal trend given what the company has previously communicated and other circumstances, it should not require a profit warning from the company.

It is important that the company establish a routine and take the necessary measures to be able to assess whether the financial report contains inside information. This is complex, so we suggest that companies are able to argue for the choices they have made. Make sure it becomes routine to repeatedly assess whether report contains inside information while it is being prepared. Another tip is to always treat the report as if it does contain inside information (even if it does not). In other words, keep it confidential and within a narrow circle.

7. (NEW) Reporting date

As previously noted, each report must be published no later than two months after the end of the quarter. The company can choose the publication date, provided it is a weekday during the prescribed period. In each report the company must state the publication date of the next report.

As a rule, the report should be released on the date stated in the previous report. If necessary, the report's publication can be changed to a later or earlier date. In that case the company must announce the change in advance through a press release. The publication date cannot be changed to a date more than two months after the end of the reporting period, however.

When should a report moved forward?

Regardless of the inside information rules in MAR, a report that is ready much earlier than the announced reporting date should be brought forward. This is because a report that is fully completed should not wait for disclosure longer than necessary.

8. (NEW) Going concern principle

The going concern principle means in practice that there must be enough liquidity for the company to continue to operate for the next 12 months. If there is not enough liquidity for this period, calculated from the closing date, the company must note this in the year-end report and annual report.

If the company does not meet the requirement for the going concern principle, the reasons why and an assessment of its impact on the company's financial position and results must be indicated in the report.

If there is not enough liquidity for the next 12 months, the auditor is obligated to mention this in the auditor's report. The company must also comment on it in connection with the publication of the annual report.

9. Suggestion regarding report layout

The following is a suggestion for the content (in bold) for each report, with comments where relevant

Interim report one (Q1)

First quarter 01/01/2017 – 31/03/2017

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-
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Comment: At the beginning of the report, the company should state some key figures (bullet points) regarding each period. The same key figures should be used in all reports. Insofar that the company uses alternative key figures, it is recommended that these are also defined in the report. The key figures shall also have comparative figures for the equivalent period of the immediately preceding financial year.

CEO comments on the period

Significant events during and after the end of the period

Financial review/information

Comment: The financial comments shall provide the reader with further understanding of the progression of the company's earnings, and its financial position. If needed, the information in the financial outcome can be reiterated, although the comments shall primarily be focused on providing the reader with a greater possibility of a deeper understanding and analysis, for instance why the company's income and expense have changed compared with previous periods.

The financial comments also set a framework for the extent to which the company's spokesperson can comment on the financial performance in a dialogue with e.g. analysts or investors.

Whether or not the report has been audited

Comment: If the report has been audited by the company's auditor, the auditor's report shall also be appended when publishing the report.

Number of shares at the end of the period

Date for future reports

Condensed income statement and balance sheet

Income statement

In the first interim report, at least two columns are required in the income statement. In that case, the income statement shall only describe the last three months. If the company's financial year is the calendar year, the format will be as follows.

01/01/2017 – 31/03/2017	01/01/2016 – 31/03/2016	01/01/2016 – 31/12/2016
		This column is not a requirement, but a recommendation

Balance sheet

The balance sheet shall have the following format:

31/03/2017	31/03/2016	31/12/2016
	This column is not a requirement, but a recommendation	

Interim report two (half-year report or Q2)

Second quarter 01/04/2017 – 30/06/2017

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First six months 01/01/2017 – 30/06/2017

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-
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Comment: At the beginning of the half-year, the company should state some key figures (bullet points) regarding each period. The same key figures should be used in all reports. Insofar that the company uses alternative key figures, it is recommended that these are also defined in the report.

CEO comments on the period

Significant events during and after the end of the period

Financial review/information

Comment: These financial comments shall give readers further understanding of the progression of the company's earnings, and its financial position. If needed, the information in the financial outcome can be reiterated, although the comments shall primarily be focused on providing the reader with a greater possibility of a deeper understanding and analysis, for instance why the company's income and expense have changed compared with previous periods.

The financial comments also set a framework for the extent to which the company’s spokesperson can comment on the financial performance in a dialogue with e.g. analysts or investors.

Whether or not the report has been audited

Comment: If the report has been audited by the company’s auditor, the auditor’s report shall also be appended when publishing the report.

Number of shares at the end of the period

Date for future reports

Condensed income statement and balance sheet

Income statement

In the half-year report, at least four columns are required in the income statement. The income statement shall therefore describe the last three months and the last six months cumulatively. If the company’s financial year is the calendar year, the format will be as follows.

01/04/2017 – 30/06/2017	01/04/2016 – 30/06/2016	01/01/2017 – 30/06/2017	01/01/2016 – 30/06/2016	01/01/2016 – 31/12/2016
				This column is not a requirement, but a recommendation

The balance sheet shall have the following format

30/06/2017	30/06/2016	31/12/2016
	This column is not a requirement, but a recommendation	

Interim report three (Q3)

Third quarter 01/07/2017 – 30/09/2017

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Nine months 01/01/2017 – 30/09/2017

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Comment: At the beginning of the report, the company should state some key figures (bullet points) regarding each period. The same key figures should be used in all reports. Insofar that

the company uses alternative key figures, it is recommended that these are also defined in the report. The key figures shall also have comparative figures for the equivalent period of the immediately preceding financial year.

CEO comments on the period

Significant events during and after the end of the period

Financial review/information

Comment: These financial comments shall give readers further understanding of the progression of the company’s earnings, and its financial position. If needed, the information in the financial outcome can be reiterated, although the comments shall primarily be focused on providing the reader with a greater possibility of a deeper understanding and analysis, for instance why the company’s income and expense have changed compared with previous periods.

The financial comments also set a framework for the extent to which the company’s spokesperson can comment on the financial performance in a dialogue with e.g. analysts or investors.

Whether or not the report has been audited

Comment: If the report has been audited by the company’s auditor, the auditor’s report shall also be appended when publishing the report.

Number of shares at the end of the period

Date for future reports

Condensed income statement and balance sheet

Income statement

In the third interim report, at least four columns are required in the income statement. The income statement shall therefore describe the last three months separately and the first nine months of the year cumulatively. If the company’s financial year is the calendar year, the format will be as follows.

01/07/2017 – 30/09/2017	01/07/2016 – 30/09/2016	01/01/2017 – 30/09/2017	01/01/2016 – 30/09/2016	01/01/2016 – 31/12/2016
				This column is not a requirement, but a recommendation

Balance sheet

The balance sheet shall have the following format.

30/09/2017	30/09/2016	31/12/2016
	This column is not a requirement, but a recommendation	

Year-end report (Q4)

Fourth quarter 01/10/2017 – 31/12/2017

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Full year 01/01/2017 – 31/12/2017

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At the beginning of the report, the company should state some key figures (bullet points) regarding each period.

The same key figures should be used in all reports. Insofar that the company uses alternative key figures, it is recommended that these are also defined in the report. The key figures shall also have comparative figures for the equivalent period of the immediately preceding financial year.

CEO comments on the period

Significant events during and after the end of the period

Financial review/information

Comment: These financial comments shall give readers further understanding of the progression of the company's earnings, and its financial position. If needed, the information in the financial outcome can be reiterated, although the comments shall primarily be focused on providing the reader with a greater possibility of a deeper understanding and analysis, for instance why the company's income and expense have changed compared with previous periods.

The financial comments also set a framework for the extent to which the company's spokesperson can comment on the financial performance in a dialogue with e.g. analysts or investors.

Whether or not the report has been audited

Comment: If the report has been audited by the company's auditor, the auditor's report shall also be appended when publishing the report.

Number of shares at the end of the period

Future reports

Bear in mind that, in the year-end report, in addition to the stipulations above, the following shall be included:

- condensed cash flow statement for the financial year with comparative figures for the immediately preceding financial year
- dividend proposal (if no dividend is proposed, this shall be stated)

- where and when the complete annual report and, where relevant, consolidated financial statements will be made publicly available (in a simplified procedure for the AGM notification, this is three weeks prior to the AGM)
- a disclosure of the date and location of the AGM

Income statement and balance sheet

Income statement

In the year-end report, four columns are required in the income statement. The income statement shall therefore describe the last three months as well as all 12 months of the year cumulatively. If the company's financial year is the calendar year, the format will be as follows.

01/10/2017 – 31/12/2017	01/10/2016– 31/12/2016	01/01/2017 – 31/12/2017	01/01/2016 – 31/12/2016

Balance sheet

The balance sheet shall have the following format:

31/12/2017	31/12/2016

For **year-end reports**, the following shall also be provided:

- Condensed cash flow statement for the financial year with comparative figures for the immediately preceding financial year
- Dividend proposal (if no dividend is proposed, this shall be stated)
- Where and when the complete annual report and, where relevant, consolidated financial statements will be made available, and
- A disclosure of the date and location of the AGM

10. The report is published through Cision

As stated previously, the company itself must upload the report through Cision. In terms of reports/the year-end report, the following is a clarification of which fields must be filled in when you have logged into Cision's online service.

Step 1

- Type of information: Quarterly report/Year-end report and the period to which the quarterly report/year-end report refers
- Category for my website: Interim reports/Year-end report

Step 2

- Compulsory lists: Cision News, Website Network, My website, Subscribers to my website, AktieTorget, Shared list. Insofar that the report contains insider information and therefore has a MAR label, EU Transparency Wire must also be filled in.

Step 3

- Insert the text version from the key figures or bullet points to the end of the CEO comments, and then upload the entire report as a pdf file. As a suggestion, link the following text to the pdf, "Read the full report".

Please note that that all compulsory mailing lists are included in AktieTorget's listing fee.