

Year 2017



 asiakastieto.fi



# Content



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# A YEAR OF STRONG service development

For Asiakastieto Group, 2017 was a year of strong service development, during which time we brought 40 new services to market. According to our strategy, we have concentrated on developing services that are based on

new data sources and elements, and help our customers to digitalize their processes and strengthen their ability to respond cost-efficiently to compliance requirements that are becoming more stringent.

NET SALES EUR

**56,2**  
Million

GROWTH IN NET SALES

**14,3**  
Percent

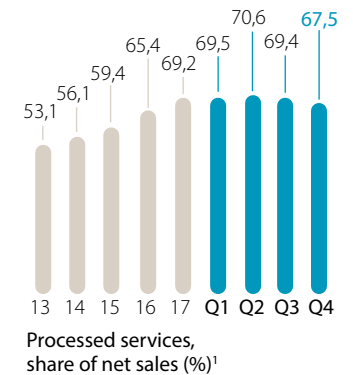
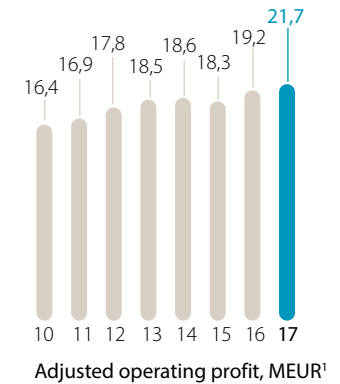
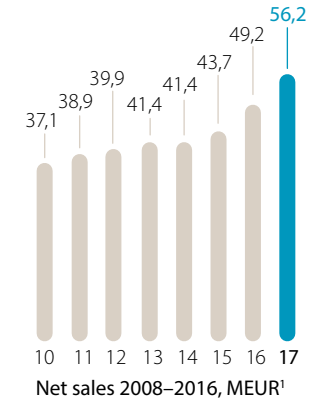
NUMBER OF EMPLOYEES

**153**  
Average

FREE CASH FLOW EUR

**20,3**  
Million

## Highlights



<sup>1</sup>2010-2013 FAS, 2014-2017 IFRS

# Asiakastieto Group

IN BRIEF

- *Asiakastieto Group is one of the leading providers of data services in Finland. We provide data to support the decision-making in our client companies' financial administration, risk management, sales and marketing. We help our client companies improve the efficiency of their decision-making processes and customer relationship management by providing company and credit data solutions, which often are automated.*
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The services provided by Asiakastieto are based on a comprehensive database that combines data gathered from several public data sources, from companies themselves as well as through the Group's own data acquisition channels. According to our strategy, we invest in using the unstructured data that we gather from the websites of companies and social media.

We help our clients to digitalize their data-intensive processes, where they can improve the efficiency of their activities and, at the same time, make the customer experience better. Our strength is in data that is critical for the automation of operations and can serve as the basis of decision-making. Among other things, our client companies can outsource their own decision-making

processes to our decision-making service. The need of companies to get reliable data is growing and modern comprehensive data acquisition channels and processes create a solid foundation for the extension of our service offering.

In line with our expectations, 2017 was also the breakthrough year for compliance services. To know the customer and our own delivery chain more thoroughly and to comply with constantly more complex regulation is going to require from companies a large investment in process standardization and efficiency improvement. For example, there is an increasing need to recognize politically exposed persons, persons on an international sanctions list and the so-called real beneficiaries of compa-

nies when agreements are made. Our clients increasingly integrate our services as part of their processes and have learned to benefit from the automation of such controls. Automation also provides cost benefits to our clients with process efficiency and strengthens the customer experience provided by them.

At the end of 2017, Asiakastieto had approximately 19,500 clients, of which 10,500 were contractual clients. Asiakastieto Group serves several industries, the largest of which are in the finance and banking sector as well as wholesale and retail sectors and expert service companies. In 2017, the Group's net sales were EUR 56.2 million and it had 158 employees at year end. Asiakastieto Group is listed on Nasdaq Helsinki with the ticker ATG1V.

We help our clients to digitalize their data-intensive processes, where they can improve the efficiency of their activities and, at the same time, make the customer experience better.





## The product areas, share of net sales

55,4 %

### BUSINESS INFORMATION PRODUCT AREA

The products and services in the Business Information product area are mainly used in B2B transactions. The services are used in several of our customers' business processes, such as assessing the creditworthiness of companies, customer selection, sourcing decisions, analyses of financial statements, corporate surveys, fulfilling compliance and regulatory requirements and assessing the responsibility of companies.

27,8 %

### CONSUMER INFORMATION PRODUCT AREA

Consumer Information services provide services that are based on information relating to consumers. Companies in consumer business need reliable information when making credit decisions, choosing customers and knowing and identifying their customers, as well as for checking the consumer's solvency during the customer relationship. Services for consumers provide information on consumers' personal financial management and on securing their identity.

9,2 %

### CUSTOMER MANAGE- MENT PRODUCT AREA

Customer Management services help to increase the efficiency of sales, marketing and communications and to manage customer relationships in corporate and consumer marketing. They make it easier for companies to maintain, among other things, customer or campaign registers, to target potential customers in campaigns and to realize campaigns by e-mail or SMS.

7,6 %

### REAL ESTATE AND COL- LATERAL INFORMATION PRODUCT AREA

Real estate information services comprise National Land Survey of Finland's official documents, real estate information reports, map services, information included in the Official Purchase. Price Register, information about buildings and their residents, as well as solutions for real estate business. Information is needed, for example, at different stages of real estate transactions and financing. In Collateral Information services, the focus is on solutions for the automation of customers' collateral management processes.

## ASIAKASTIETO GROUP'S LONG-TERM FINANCIAL GOALS



### Growth

Achieve 5–10 per cent annual average growth in net sales.



### Profitability

Maintain the profitability of the current services at the current level.



### Balance sheet structure

Maintain net debt to EBITDA of less than 3.0 x while continuing to maintain an efficient capital structure.

## ASIAKASTIETO GROUP AS AN INVESTMENT



### Resistance to economic cycles

Asiakastieto Group's services are needed in both good times and bad.



### Growth potential

New services and the digitalization of the processes create growth.



### Dividend yield

Strong cash flow makes good dividend yield possible.



THE SERVICES IMPROVE THE TRANSPARENCY OF BUSINESS, INCREASE CONFIDENCE AND HELP THE PROGRESS OF TRADE



A COMPETENT, DEVOTED AND PROFESSIONAL PERSONNEL



ACTIVE USE OF NEW METHODS AND TECHNOLOGIES IN SERVICE DEVELOPMENT



SCALABLE BUSINESS MODEL AND HIGH LEVEL OF AUTOMATION IN BUSINESS PROCESSES



DATABASE AS THE ESSENTIAL PART OF BUSINESS AND STRONG DATA-BASE KNOWLEDGE



EXTENSIVE SELECTION OF HIGHLY REFINED DIGITAL SERVICES



CUSTOMER-ORIENTED, INNOVATIVE SERVICE DEVELOPMENT ORGANIZATION



LONG-TERM CLIENT RELATIONSHIPS AND INTEGRATION INTO CLIENTS' BUSINESS PROCESSES



STRONG BRAND AND RELIABLE CORPORATE IMAGE

# Strategy

## TO 2020

- *As the leading player in the field, one of the key success factors, on which we build future growth, is our capability to process data. We have database knowledge and skills for cleaning, verifying and linking data and for building data models so that automated services can be built for refining data. The goal of Asiakastiето Group is to be a constantly developing and agile trendsetter in data services and the preferred partner for its customers, with a focus on competent and motivated personnel.*
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To achieve our goals, in 2016 we created the foundation and guidelines for business development, which give us significant growth potential in the future, up to 2020. We help our customers to digitalize their data-intensive processes where they can improve the efficiency of their operations and, at the same time, make the customer experience better. Our strength is in data that is critical for the automation of operations and can serve as the basis of decision-making.

As part of annual strategic work, Asiakastiето Group's Executive Team has defined the goals, on which Asiakast-

iето is going to concentrate in 2018 in order to achieve the Group's strategic goals. To achieve the goals, we first created four strategic themes in 2016, which we then specified in more detail for the year 2018 in the following way:

- PEOPLE
- CUSTOMER EXPERIENCE
- POWER CORE
- AGILITY AND NEW DATA

From these four strategic themes, Service Together and Agile Asiakastiето were refined as special development goals for 2018. In our company, we have brought in the culture of Service Together, according to which all of us at Asiakastiето want to ensure the realization of the best possible customer experience. We thoroughly search for new possibilities and want to enter the market faster by using agile and experimental methods. We use the data and the professionalism of our personnel much more comprehensively and look for new operating methods and also introduce new technologies.





## People

**PEOPLE** – This theme is based on all personnel-related activities and development. Only competent, committed and motivated people can implement our strategy and develop it further. A measurable goal is that the personnel in the company are increasingly willing to recommend Asiakastieto as a place to work. The annual employee survey was conducted towards the end of 2017. The survey results improved in all areas, and the change was particularly great in the willingness to recommend Asiakastieto as an employer.

### Strategic summary

Asiakastieto is a constantly developing and agile trendsetter in data services and the preferred partner for its customers, with a focus on competent and motivated personnel.

### Vision: The best decisions easily

Our vision is to provide the best data foundation and services so that our clients can make the best possible decisions in every situation. In addition, our services have to be user-friendly and easy to integrate. Usability is part of



## Customer experience

As consumers, we have learned to require high usability from digital services. No one any longer accepts a negative customer experience. With the **CUSTOMER EXPERIENCE** theme we would like to set our target level high. Customer experience consists of, in a comprehensive way, all those factors that have an influence on customer experience, from the user interface to the quality of customer service. Our target is that in customer satisfaction surveys, we get equally high scores both for customer experience and for reliability.

service quality and refers to the ease of using the service and making decisions.

### Mission: Transparency and trust

The trust among people and companies makes it easier to carry out business operations and supports the creation of well-being through growth. Asiakastieto's services improve on the transparency of business between the parties, increase confidence and help the progress of trade. These service solutions make it possible for all the involved parties to trust each other, engage in credit



## Power core

The **POWER CORE** theme means decisive work on development to grow our core business and to improve quality. Growth will be achieved through the development of new services. Our goal is to maintain the new services' share of net sales at the current high level.

trade and ensure that the counterparty meets its obligations.



## Agility and new data

We search for new growth through the **AGILITY AND NEW DATA** theme. **AGILITY** refers to agile development where we quickly test different new digital services either alone or within an eco-system that is made up of start-up companies and other parties. **NEW DATA** refers to the use of new and different data and covers new data sources or new data acquisition methods. Our goal is to generate significant additional sales for the coming years from the new ideas under the **AGILITY AND NEW DATA** theme.

# Responsibility

## CREATES TRUST

- *The year 2017 was a success to Asiakastiето Group as regards both the new services offered to our clients and the result of growth. We continued to enhance transparency and trust in all areas of business, consistently and in accordance with the strategy generated as the result of elaborate work in 2016. We wish to be a leader in these matters ourselves, but with our services, we are also able to assist our customers to meet the requirements and strengthen their own competitiveness through increased reliability. The foundations are good, because in the Nordic countries, for example, we are in principle used to – quite justifiably – trust people and the enterprises steered by people. The transparency in business creates preconditions for the support and development of trust, and we at Asiakastiето do everything we can to cherish trust.*

### Responsibility must be demanded and now it can also be monitored

The significance of responsibility in our business and in the business of our clients is constantly increasing, and in this respect, the year 2017 was a milestone. We are a publicly quoted company, and we have a great quantity of data concerning companies and consumers in our database. Therefore, responsibility, such as strict compliance of laws and decrees has always been an inseparable part of our business. An example of this is the General Data Protection Regulation of EU, the requirements of which we as a controller have met in practice for a long time already.

At the same time, it is important for us that, using the services we have processed of the data, our clients can also follow the principles of responsibility and transparency. In 2017, we launched 40 new services, the need for and function of which was tested in advance together with our clients, who can now genuinely practice responsibility and make sure that this is also carried out by their partners. It is now also possible to monitor the fulfilment of basic level responsibility in all enterprises of one's own delivery chain, irrespective of whether they themselves provide reports depicting their own responsibility. Until now, it has only been possible to demand responsibility in business, but in practice this has been difficult to ver-

ify, especially with unlisted companies, which naturally constitute the majority of enterprises. Thus, the objective of transparency and trust is now carried out better than before.

### Year of compliance automation

As we expected, 2017 was also the year of breakthrough for compliance automation. The growth requires strong identification and knowing of customers from an increasing number of companies and branches of industry. Checking if customers are politically exposed or if they are found on an international sanctions list is already everyday practice for many of our clients. Our clients are

to a growing extent integrating our services to be part of their processes and they have also learned to utilize the automation of these kinds of checks. Automation brings cost benefits to our clients along with process efficiency, but it also braces the customer experience they offer. It is not necessary to trouble the end customers with questions, which sometimes can seem intrusive.

### We serve together

Quite at the end of the year, as planned, we got to move to our new premises. The premises that were designed for us and for many different needs have clearly inspired the entire working community, which is partly reflected in the even better work satisfaction. I believe that this will also indirectly be portrayed as strengthening customer experience.

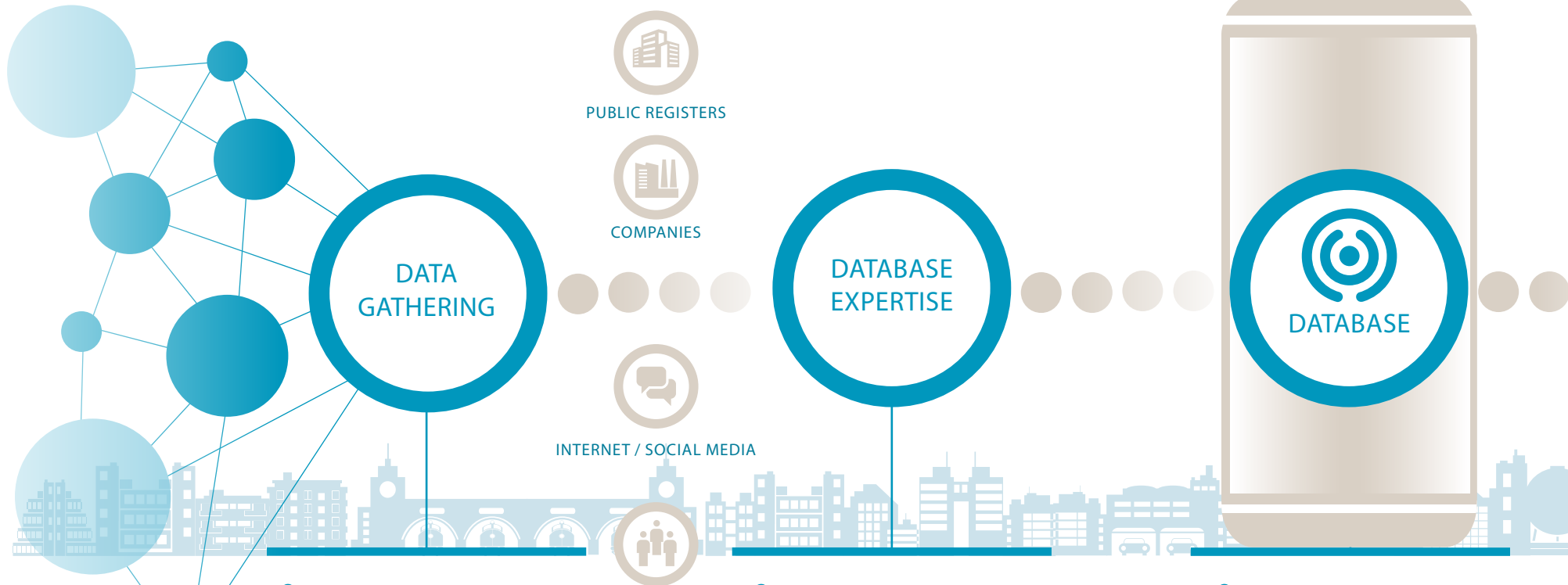
We have internally launched the culture of serving together, in conformity with which we all at Asiakastieto wish to ensure the best possible customer experience. I thank everyone at Asiakastieto for this, and I also encourage our clients to grasp our offer to join us to develop services, which will provide solutions for everyday problems and help us to grow together.

*Jukka Ruuska*  
CEO



# Database

AS THE CORE OF BUSINESS OPERATIONS



- Highly automated data acquisitions
- Reliable public and private data sources
- Data is gathered into the database or combined through data links
- Unique, self-gathered data
- Unstructured data

- Our ability to process information is one of the key success factors on which we build our future growth
- **REVIEWING**  
Organised reviewing and cleansing of data before inserting into the database.
- **COMBINING**  
Gathering and combining of data based on the need of services, service development or customers.
- **ANALYSING**  
Need-based analysing of data before inserting into the database.

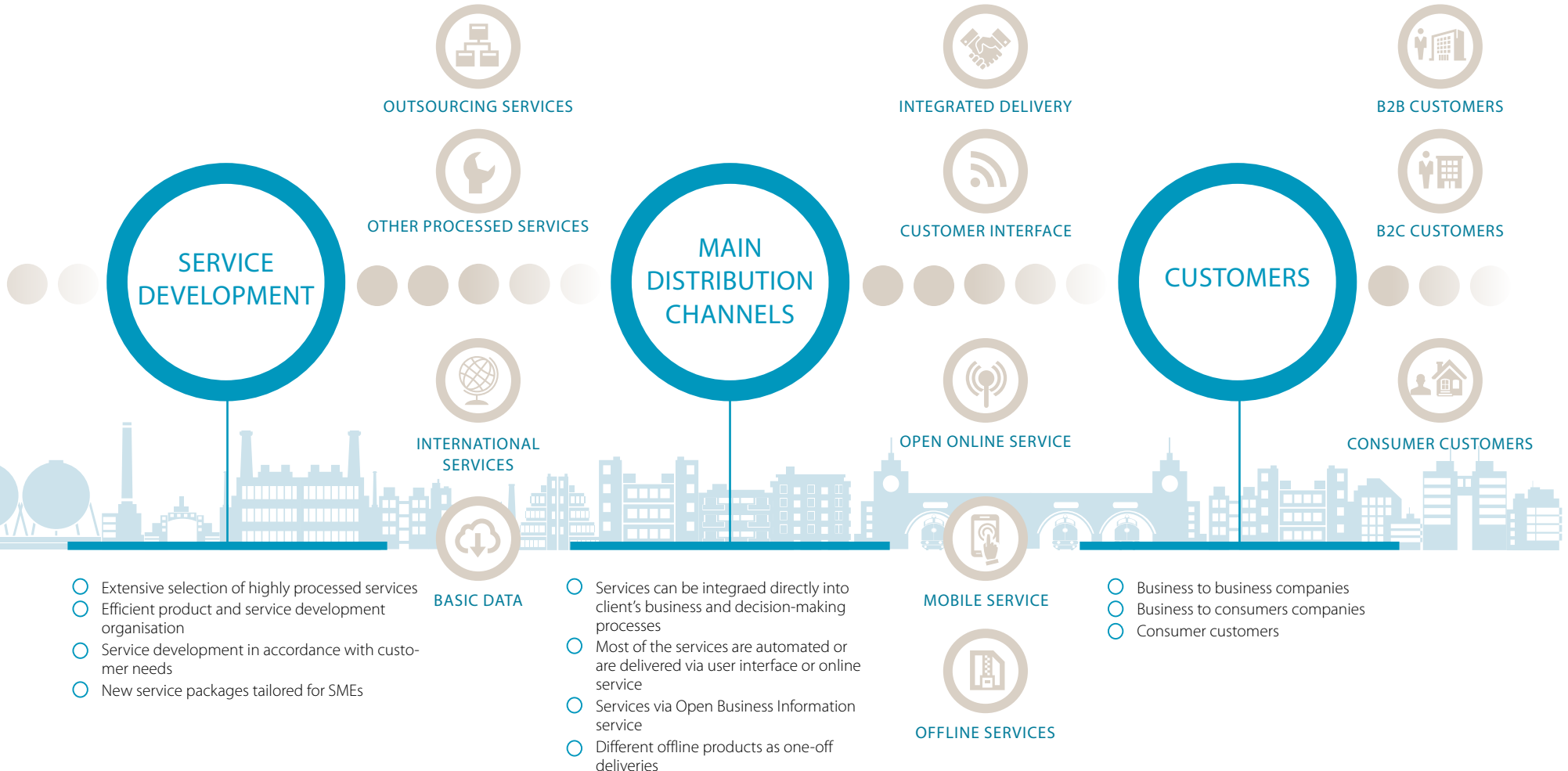
- Once saved, data can be refined several times without additional costs. The number of information units of the database, the details of the information as well as the ability to combine the information with the information from the customers bring competitive edge.

## Making unstructured data utilisable

We offer a broad selection of services that are based on our comprehensive database. Data is acquired from several public data sources, from companies themselves as

well as through our own data gathering processes. In accordance with our strategy, we will focus in the utilisation of so-called unstructured data during the remainder of

the year, such as data collected from companies' websites and social media..



## BUSINESS INFORMATION PRODUCT AREA

# Year of

## ACTIVE DEVELOPMENT

- *Business Information services provide information, reports, classifications and analyses of companies' financial position, administration and compliance with corporate responsibility. Business Information services are provided to customers via technical integration interfaces, as an open online store, browser interfaces or custom solutions, such as decision-making and monitoring services. Customers use the products and services of the Business Information product area mainly for B2B business. These products and services are used in several of our customers' business processes, such as assessing the creditworthiness of companies, customer acquisition and selection of suppliers, analyses of financial statements, corporate surveys, fulfilling compliance and regulatory requirements and assessing the responsibility of companies.*
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The net sales of the product area increased by 3,2 per cent to EUR 31,1 million during 2017. The good development was supported by the positive mood in the Finnish economy, but the most significant contribution came from new services launched at a rapid rate during the past few years. In 2017, more than 10 new services were launched. In addition, demand shifted increasingly from basic products to services with higher added value. As of the beginning of 2017, the Business Information product area has also included Certificates and Analyses, which was previously a separate product area.

The product and service range of Business Information promotes decision-making and mutual trust between market parties. Increasing international trade,

legislative regulation, digitalisation and automation continuously shape customers' business environment. Also, corporate responsibility becoming an increasingly important theme expands and deepens customers' need for information. Asiakastieto Group continuously develops its services to meet its customers' changing needs.

### Services for companies and consumers

During 2017, product development was very active, with Asiakastieto launching several unique services. The compliance service range was supplemented so that the company's actual beneficiaries can be verified for all company forms and entities through automation and changes in them can be monitored. The service is needed to meet

the requirements of the revised national legislation on the prevention of money laundering and terrorist financing.

The Online Value Report was developed to provide impartial information about a company and its value for those considering an acquisition or monitoring the company's overall state and value development. The value determination model developed by Asiakastieto uses financial statements data, for example, to predict net results for subsequent financial years and the development of substance value over the next 10 years. Value Reports are available automatically on approximately 100,000 Rating Alfa-rated limited liability companies.

During the year, Asiakastieto also launched the Corporate Responsibility Report service that helps compa-

nies to automate responsibility-related processes. The service includes companies' criminal convictions, penalty and neglect fees and various certificates granted to companies, facilitating more extensive background surveys of partners. The demand for the Corporate Responsibility Report indicates a clear change in values in business: in addition to financial criteria, the responsibility of operations is important in selecting partners.

Asiakastieto's public business information service be-

came one of Finland's most popular B2B media during the year. Already, some 160,000 weekly visitors use the free service for finding business information. In addition to basic data, it provides more detailed analyses at competitive prices.

### Together with customers

Asiakastieto is one of the leading providers of business information services, and it has a very large customer base

and the biggest product and service range on the market. In fact, Asiakastieto has engaged its customers and other stakeholders more closely in the development projects of its services. Good interaction can ensure that new solutions and features meet customers' changing needs. The rapid evolution of digitalisation and technology makes it possible to lift services to a new level, which is also indicated by the launch of the first artificial intelligence-based business information applications during spring 2018.

## CASE

# Savings Bank wants to develop its corporate business

Savings Bank wants to offer premium service to its private and corporate customers. Personal customer service through diverse channels is at the core of business. For corporate customers, Savings Bank is an economic coach and mentor in important decisions.

The cooperation between Asiakastieto and Savings Bank originates from both parties' desire to improve the customer experience. Thanks to Asiakastieto's diverse and clear information packages, Savings Bank can serve its

corporate customers even better. "The more information we have, the better we can mentor and support companies in their decisions," says Tapani Lehti, Business Development Manager at Savings Banks' Union Coop.

Automated clear reports play a key role in a customer service situation. "We have reached the best results with Asiakastieto through close cooperation. A good example of this is a service supporting the credit process of corporate customers tailored by Asiakastieto with

consideration of our needs," Lehti says, and continues: "We are also looking forward to future development projects to serve small and medium-sized businesses even better."

Tapani Lehti  
Business Development  
Manager  
Savings Banks' Union Coop



## CONSUMER INFORMATION PRODUCT AREA

# Services

## FOR COMPANIES AND CONSUMERS

- *Asiakastieto Group provides services that are based on information relating to consumers. Companies in consumer business need reliable information for making credit decisions, choosing customers and knowing and identifying their customers, as well as for ensuring the consumer's solvency during the customer relationship. Services for consumers provide information for consumers' personal financial management and for securing their identity.*
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The development in Consumer Information was strong during 2017. Comparable net sales increased by 22,7 per cent to EUR 15,6 million, and sales of almost all services developed favourably. The continued upbeat market and in particular the demand for mortgages and consumer credit promoted growth, supported by Asiakastieto's new services and active customer work. Also, the shift in demand towards more refined consumer information services and the need for consumer services contributed to the growth.

### New players and services

The strong growth in the credit market has introduced several new parties to the Finnish market, such as com-

panies granting international and domestic consumer credit, international banks and webshops. Asiakastieto succeeded in strengthening its market position among these new customers as well.

With Asiakastieto's services, companies can check the up-to-date personal data and creditworthiness of their customers and thereby verify consumer customers' data, solvency and financial position. The services developed by Asiakastieto use the necessary data to make credit decisions automatically in accordance with the terms and conditions specified by the company. The efficient, reliable and automated decision-making process lowers companies' costs and credit loss risk while preventing individual consumers from becoming over-indebted.

The position of Asiakastieto as the market leader in consumer information services is based on its customer-driven operating method, reliable data and continuous development of services. Innovating new products and services requires high-quality expertise and close cooperation with customers. Several new services were launched during 2017. The Compliance service range was supplemented to allow our customers to better meet their statutory obligations. New services relating to customer due diligence were developed and Scoring services were expanded. The Scoring services are used for preparing customer-specific classifications that meet official regulations. With the service, our customers can utilise classifications based on our own and external data efficiently in their operations.



## Goals set high

The expectations and goals for 2018 have been set high. According to forecasts, the good mode of the economy will keep demand high, so there is increasing need for Asiakastieto's consumer information services. At the same time, we will invest in the development of new services and strengthening customer relationships. The need for service development is also strengthened by new technologies, increasing regulation and amendments to leg-

islation. The PSD2 Payment Services Directive entered into force in January 2018, and the Data Protection Act will be amended in May.

There is clearly a need in the market for obtaining information about consumers' income, debts and payment behaviour, but legislation is still placing restrictions on creating a positive credit register. Private individuals' payment default entries have increased in Finland in recent

years, and the average number of payment default entries per over-indebted person has already increased to 15. Some consumers become indebted to several parties because creditors do not obtain a sufficiently accurate overview of their financial position. Another topical need is related to the prevention of continuously increasing identity thefts. To prevent them, Asiakastieto will continue the development of the Omatieto service.

## CASE

# St1 Finance wants to serve its customers in real time

St1 Finance Oy wants to offer modern payment solutions that the customer can begin to use immediately. Established in 2016, the company is adapting to the dynamic business market with the St1 Way mobile application that provides the customer with an immediate credit decision any time of the day. The St1 Mastercard credit card for consumers can be immediately linked to St1's mobile payment solutions and the Apple Pay app.

"We immediately contacted Asiakastieto after being issued our authori-

sation as a payment institution," says St1 Finance Oy's Minna Lehtikainen. "Asiakastieto is one of the first parties that comes to mind when you need support in automating credit decisions and building and developing scoring models. Our cooperation got off to a quick start because we wanted to launch our St1 Mastercard credit card before the end of 2017."

Asiakastieto's 3D Decisioning service is developed in cooperation with the customer. In the case of St1 Finance, a well-functioning service based on auto-

matic credit decisions plays a key role. "Real-time service is our competitive advantage, and Asiakastieto's services make it possible to issue a payment instrument to the applicant 'online', for which we have received a lot of praise from customers," Lehtikainen adds.

Minna Lehtikainen  
Chief Operating Officer  
St1 Finance Oy



## CUSTOMER MANAGEMENT

# Strong growth

- *Customer Management services help to increase the efficiency of sales, marketing and communications, analysing customer accounts and maintaining customer registers. They make it easier to target potential customers in campaigns and realise campaigns by e-mail or SMS. The customers of the product area include companies from a variety of industries, such as ICT and energy industry companies engaged in consumer marketing.*
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The net sales of Customer Management increased by 64,6 per cent to EUR 5,2 million during 2017. A significant share of the growth came from the acquisition of Intellia in October 2016. The growth of the Finnish economy was also translated into brisker demand for the service range. The portfolio of the product area was expanded with the acquisition of Emaileri Oy in autumn 2017. Emaileri is a specialist in electronic customer communications and direct marketing, so it supplements Asiakastieto Group's database- and analytics expertise-based services by providing customers with an efficient communication channel.

## New services

Several new products were developed during 2017 for customers engaged in consumer sales and marketing, allowing the customers to more accurately analyse their target groups and predict their behaviour. These new services included moving and payment default forecasts. Correspondingly, the usability of online service tools was improved. The revised target group tool based on Asiakastieto's database was launched under the Company Filter Pro name in February 2017.

## Data protection legislation is tightening

The European Union has revised its data protection legislation, and Finland has supplemented its data protection legislation at the same time. The EU's General Data Protection Regulation entering into force in May 2018 will be applied extensively to the processing of personal data, so it applies to almost all companies with personal data in their data files. With the new legislation, people will also have more extensive rights to review their data held in data files.

Asiakastieto developed a customer data file maintenance service meeting the new requirements of the General Data Protection Regulation. The service launched in

February 2018 is a cost-efficient solution for companies of all sizes. Its demand is expected to grow rapidly.

### More targeted marketing

Asiakastieto has a strong market position and established client relationships in Customer Management services. Its competitive advantages include the company's good reputation, large databases on which the services are based and its particularly active approach

to product development. Also, cooperation between different product areas promotes the sales and development of services further. The focus of product development will be on analytics solutions and increasing the automation of marketing as part of the Emaileri service portfolio.

Finland's economic growth gives reason to expect a positive mood in the market. Asiakastieto's customers will focus their marketing with increasing accuracy, and

investments are now made in quality rather than quantity. Customers want to purchase targeted data customised to their needs as well as increasingly extensive service entities. The popularity of e-mail and SMS marketing will increase, so good demand for the Emaileri portfolio is expected. The number of potential customers is also considerable, as an increasing number of companies are understanding the importance of communications and marketing in their business.

## CASE

# Lyyti manages its customers' event and attendee data smartly

The services of Lyyti, focusing on collecting and managing events' attendee data, make event organisers' day-to-day life easier and support the sales of organisations. Lyyti and Emaileri Oy, acquired by Asiakastieto Group in 2017, have been cooperating closely for a decade.

As Emaileri's customer, Lyyti does not need to worry about the delivery reliability of event messages. "With Emaileri,

we know that the messages we send reach the right recipients – reliably and measurably," says Petri Hollmén, founder and CEO of Lyyti.

Lyyti's and Emaileri's services have been developed over the years to meet customers' needs; the services are integrated to make it easier to sell and market events. "Both Emaileri and Lyyti aim to provide event organisers with a service that is easy to use and adjust,"

Hollmén adds.

With the services provided by Lyyti and Emaileri, the customer can target the sales and marketing of events without compromising on visual features.

Petri Hollmén  
Founder and CEO  
Lyyti



## REAL ESTATE AND COLLATERAL INFORMATION

# Breakthrough

- *Asiakastieto Group provides its customers with comprehensive real estate information services, including National Land Survey of Finland's official documents, real estate information reports, map services, information included in the Official Purchase Price Register, information about buildings and their residents, as well as solutions for real estate business. In Collateral Information services, the focus is on solutions for the automation of customers' collateral management processes. The key customer groups of Real Estate Information include the banking sector, real estate agents, construction industry and electricity companies, law firms, forestry societies, municipalities as well as building management companies and housing companies.*

The net sales of Real Estate and Collateral Information Services, which has been operating as a separate product area since the beginning of the year, increased by 36,9 per cent to EUR 4,3 million. The strong demand for the services was accelerated by increasing real estate and apartment sales following overall economic growth, but also the sales of services to new customer segments and continuous service development in the product area. In addition, the utilisation of real estate information reports increased significantly with banks making one-time checks before migration to electronic mortgage deeds in October 2017.

## New products

Real estate information services are provided through an

easy-to-use browser solution and integrated directly into the customer's systems. During 2017, the product area's investments in the development of services were significant. New services include National Land Survey of Finland's electronic archive documents and the land lease as a new document in the real estate business service, providing the municipal sector with an opportunity for electronic plot sales and leases. The City of Riihimäki was a pilot customer in the development project.

## Good service – leading market position

Asiakastieto's active service development strengthened its market leader position in real estate business service solutions. Almost all banks are already using Asiakastie-

to's solutions for real estate business (KVP), to which new features were added towards the end of 2017. With regard to real estate agents, long-term sales work is expected to provide new significant customer accounts as users of the service in the near future. Asiakastieto cooperates actively with National Land Survey of Finland, other authorities and its customers in developing its services.

## House manager's certificate data as a digital service

Asiakastieto is actively developing a new service that will provide the market with a new way of ordering and submitting information about an apartment and housing company. The development project began as part

of the national Taltio project, and the reporting code, or standard, for housing companies was one of its outputs. Asiakastieto has developed a digital housing company data service together with Talokeskus based on it. At the end of 2017, information about almost a million apartments had been stored in accordance with the national standard. This amounts to approximately 2/3 of Finnish

apartments in housing companies. Before the migration to the digital system, Asiakastieto is preparing a legal survey of the use and access rights of data with several of its partners, and the survey is expected to be complete in early 2018.

Interest towards the service among potential customers has been extensive. The current process of veri-

fying data and collateral is slow, expensive and requires lots of manual work. The new service concept increases efficiency and makes the work faster, as well as increases the reliability of the data. For example, it allows banks to automate the granting of secured loans. Asiakastieto expects the service to generate growth starting from 2018.

## CASE

# Forestry societies provide forest owners with local expertise

Forestry societies supervise forest owners' benefits and provide services targeted at them. The societies can help forest owners in determining the value of the property or preparing tax returns, for example. The upswing in forest economy has increased the significance of local expertise in trading and generational changes.

The Real Estate Information services developed by Asiakastieto offer diverse information about properties in the form of reports and map services. Cur-

rently, the company provides real estate information services to 40 forest societies, allowing them to better serve their members.

As a result of the close cooperation, Asiakastieto has identified the special needs of the operations and provided forest societies with new services. "Asiakastieto has been an active and agile partner. The needs of forest societies differ from those of other parties, and map printouts have played an important role in real estate information,

for example," says Jouni Tiainen, CEO of Metsänhoitoyhdistysten Palvelu Oy.

Asiakastieto's real estate information services provide the societies with all the necessary information from purchase prices of nearby forest properties to the precise locations of the lots. "The societies' member registries are also developed as part of the co-operation, taking the new General Data Protection Regulation into account," Tiainen adds.

Jouni Tiainen  
CEO  
Metsänhoitoyhdistysten  
Palvelu MHYP Oy



# Corporate responsibility

## AT THE CORE OF BUSINESS

- *The importance of responsibility is increasing continuously in our own and our customers' operations. We are a publicly listed company and have a huge volume of data on companies and consumers in our database. Therefore, responsible operation, such as uncompromising compliance with legislation, has always been an inseparable part of our business. It is important to us that also our customers can realise the principles of responsibility and transparency using the services we have refined from the data.*

### Financial prosperity for different stakeholders

Asiakastieto Group develops its business over the long term, seeing to growth and profitability. In this manner, it fulfils its responsibility towards its shareholders, personnel, clients and partners. In 2017, the Group's net sales grew by 14,3 per cent, adjusted operating profit was EUR 21,7 million and free cash flow amounted to EUR 20,3 million. For Asiakastieto, financial responsibility means competitiveness, a high performance level and a market-driven process for providing electronic services. These elements create long-term value for our stakeholders and enable profitable growth.

### Transparency and trust

Asiakastieto helps companies to improve the efficiency of their decision-making processes and customer management through automated company and credit information solutions. These solutions improve the transparency of business between those involved, increase trust and promote trading. These service solutions make it possible for all the involved parties to trust each other, engage in credit trade and ensure that the counterparty meets its obligations.

### Responsible business processes

In addition to Asiakastieto's products and services, responsible business processes create added value for

customers. The responsibility of business processes particularly refers to including customers more closely in product and service development and taking their views increasingly into account in all business operations. This development involves co-operation with customers, the authorities and other partners. The recovery of the economy is expected to translate into increasing demand for services during the year. The objective is to promote digitalisation in customers' business operations and develop comprehensive service solutions further by ensuring that we respond to customers' needs in the best possible manner.

It is important to us that also our customers can realise the principles of responsibility and transparency using the services we have refined from the data.





Asiakastieto Group aims to promote transparency and trust in business with automatised solutions.

### Services reduce companies' carbon footprint

Asiakastieto develops its services and their usability and availability with a client-oriented approach, with the aim of helping customers to take advantage of the opportunities offered by the operating environment that is rapidly becoming more and more digital. With the help of the Group's services, companies and consumers gain access to Asiakastieto's online services in real time and without paper copies. Asiakastieto is engaged in the information service sector with the task of developing electronic services and improving their availability, while making the entire society financially and ecologically more sustainable and improving its competitive edge. At the general level, Asiakastieto's business can be described with low

emission. The entire production process of the Group's electronic services is emission-free, starting from the procurement of the electronic data materials.

### E-invoices as part of companies' electronic processes

Inter-company business generates enormous amounts of paper, with companies receiving and sending invoices and related documents. Asiakastieto uses e-invoices for both purchase and sales invoicing. An e-invoice does not have to be printed out, posted or handled, which reduces the amount of inefficient manual work and additional costs. For smaller companies, Asiakastieto offers the option of PDF invoices. The carbon footprint of the opera-

tions is considerably reduced by minimising the amount of paper and reducing transport and the amount of waste.

### Information and support with payment defaults

Asiakastieto works every day to lower payment default statistics and improve people's financial skills. Information about a payment default entry is provided in a letter of the first entry sent by the payment default register company, Suomen Asiakastieto Oy. A person who has received a letter of the first entry may contact Asiakastieto Group's Omatieto service. The Omatieto service provides advice on the phone, by e-mail and at the customer service counter. Including e-mail messages, the number of



annual contacts exceeds 45,000. The purpose of the consultation service is to encourage the consumer or entrepreneur to regain control over their finances and seek an exit from the payment default register as soon as possible.

### TarkkaFyrkka turns its eyes on art in 2018

TarkkaFyrkka is a lesson for young people on the management of their own finances, launched in 2011. In 2017, TarkkaFyrkka consisted of 50 workshops held for 9th graders, taught by Youth Academy's instructors. The events were promoted on the web and social media.

Thanks to the successful cooperation, Asiakastieto will organise TarkkaFyrkka with Youth Academy also in 2018. TarkkaFyrkka will now consist of 10 workshops, which will produce TarkkaFyrkka-themed cartoons in addition to lectures. Cartoons are well-suited for distribution on social media, aiming to obtain the maximum target audience for TarkkaFyrkka. Schools are encouraged to participate in TarkkaFyrkka and highlight it through their own channels with a competition in which the class has an opportunity to win an award. TarkkaFyrkka participants will be sought from among art-oriented upper secondary schools and vocational schools. In addition to classroom sessions, classes, teachers and students will be encouraged to use self-study materials.

### Quality system as part of daily routines

Asiakastieto's quality policy defines the Group's commitment to quality. The goal of the quality project launched in 2012 was set at developing the operations through the reduction of dependence on individual employees, the elimination of any overlapping activities and the clarification of roles.

This target was reached by identifying and describing the company's internal processes included in the requirements of the quality system.

The quality system has become an established part of Asiakastieto's daily routines. The most significant benefits have been achieved by defining internal processes, clarifying roles and responsibilities and turning the quality system into a tool for developing the Group's operations. In 2017, a total of 16 process amendments, one of them the new amendments required by the ISO 9001:2015 standard, and 113 updates were made in the quality system. A total of 10 people made development proposals to improve processes and practices. At the end of the year, there were 8 process amendments under way. Asiakastieto applied for a certificate in accordance with the new standard in December 2017. The external auditor of the quality system, Bureau Veritas, performed the certification audit and found Asiakastieto's system to meet the requirements of the ISO 9001:2015 standard. The new certificate is valid until 15 January 2021.

### Aiming for a safe and open workplace

At the end of 2017, Asiakastieto Group had 158 employees. The HR policy is based on the Group's values, strategy and ethical principles. The goal is to create a safe and open work community in which the Group and employees treat each other fairly, equally and even-handedly.

### Environmentally friendly travel

Asiakastieto encourages its employees to use public transport, which is an environmentally friendly alternative to the use of company cars. Therefore, we offer travel cards for public transport when employees travel for work. Asia-

kastieto's new office is located in Kalasatama, Helsinki, an area that can be efficiently accessed with public transport. The limit for the carbon dioxide emissions of Asiakastieto's company cars has been set at 150 mg/km.

### Mobile work solutions

Modern technology enables working from home, as well as video and Skype meetings, which has a positive effect on one's own carbon footprint and working conditions. In a modern office environment, working methods have changed and information has moved to the cloud. At Asiakastieto, travel including air travel has mainly been replaced by new, more efficient conference arrangements.

### Asiakastieto Group joined FIBS ry

Asiakastieto joined the Finnish corporate responsibility network FIBS ry in 2017. In 2018, the Group will invest in planning its responsibility reporting to make responsibility even more visible in the Group's operations.





## CUSTOMERS

### GOALS

- Reliability, coverage and up-to-datedness of information
- Improving customer experience and satisfactory increase in the NPS value (42)
- Increasing variety in customer needs, increasing decision-making automation and solution-focused approach

### INTERACTION AND COMMUNICATION

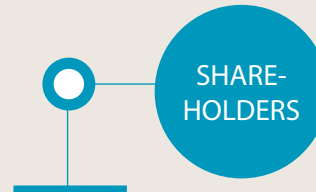
- Digital presence in customer environments
- Efficient and targeted marketing automation
- Over 100,000 encounters with customers

### MEASURES 2017

- New service packages tailored for SMEs
- 40 new services as the result of service development
- Increased offering of sales and marketing services

### ADDED VALUE PROCURED

- Transparency and trust in business relations
- Over 4,6 million high-quality credit decisions for customers and their customers
- Monthly visitors to Open Business Information Service: 450,000
- Over 60 million service inquiries into Asiakastieto's database



## SHARE-HOLDERS

### GOALS

- To create a well-defined picture of Asiakastieto Group as an investment
- Open, honest and correctly timed communication
- Satisfaction of analysts and investors with the IR service
- Good return on investment

### INTERACTION AND COMMUNICATION

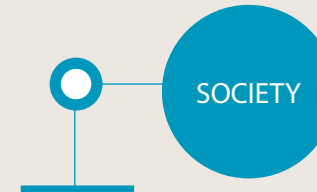
- Investor meetings, events and seminars
- Information releases and official financial communication
- Investor communication publications and materials
- Investor pages

### MEASURES 2017

- Approximately 100 investor meetings
- Participation in private placement events
- Talks at seminars and events
- Active roadshow programme

### ADDED VALUE PROCURED

- Distribution of funds EUR 0,90 per share on 10 April 2017
- Earnings per share EUR 1,06, an increase of 5 %
- Effective dividend yield 4,0 %
- Net sales increased by 14,3 %
- Adjusted operating profit increased by 13,2 %



## SOCIETY

### GOALS

- Responsible and reliable business
- Transparency and trust to business transactions
- Taking stakeholders, the authorities and partners into account

### INTERACTION AND COMMUNICATION

- Public media
- Social media
- Events, seminars and lectures
- Consultation related to payment defaults; training events

### MEASURES 2017

- Launch of the prototype project utilising digital house manager's certificate data defined in the TALTIO project in cooperation with a housing company data service partner
- Asiakastieto's workshop and open invitation to launch the digital housing company data ecosystem at the TEKES Reboot Finland D.Day for Fintech event on 5 December 2017
- Influencing legislation and other regulation through statements and contacts with the authorities
- Continuous campaigning for the utilisation of positive credit information
- Information for the young on the management of their own finances

### ADDED VALUE PROCURED

- The opportunity to influence nationwide projects
- The opportunity to take part in the ecosystem utilising the digital house manager's certificate standard agreed in the TALTIO project
- Information and support from the Omatieto service for consumers and entrepreneurs with payment defaults, annually more than 45,000 contacts
- Annually more than 45,000 contacts with the Omatieto service
- 50 TarkkaFyrkka workshops on the management of finances for the young in cooperation with Youth Academy



## PERSONNEL

### GOALS

- Skilled, competent and customer-oriented expert organisation
- Mentoring, encouraging and confidence-inspiring leadership culture
- Inspiring, developing and healthy work community
- Employer image associated with the best experts

### INTERACTION AND COMMUNICATION

- Daily work and open communication
- Oma Polku (My Path) and 1on1 discussions
- Annual employee survey
- Internal training programmes and induction training events
- AT Mentor programme
- Other channels for personnel communication

### MEASURES 2017

- Active deployment of Oma Polku (My Path) discussions
- Review of the customer experience and serving together theme by all employees
- Investments in the development of the leadership culture and supervisory work

### ADDED VALUE PROCURED

- Employee survey: Willingness to recommend the employer 4,19 (on a scale of 1–5)
- Number of personnel on 31 December 2017: 158
- Salaries and remuneration during the financial year: EUR 10,4 million





# Year of development

## OF PERSONNEL

- *Our goal is to be the best workplace for our employees and also communicate this to others. During 2017, we invested in the development of the work community and personnel in several ways. The quarterly Oma Polku (My Path) discussions replaced conventional development discussions. The themed, slightly shorter discussions increase interaction within the organisation and ensure that important matters relating to development, for example, are reviewed more often than only once a year.*
- 
- 

### Mentoring leadership as part of supervisory work

It is important for supervisors to inspire, guide and encourage their teams to do their best each and every day. The mentoring leadership programme invested in the development of supervisory work. All of Asiakastieto Group's supervisors took part in the coaching, and its goal was to develop both the Group's leadership culture and each supervisor's own supervisory work-related resources. We will continue with the themes of coaching leadership in 2018 as well, to further strengthen the good employee experience.

### Asiakastieto's mentoring programme

Asiakastieto Group launched the AT Mentor programme in early 2017. A total of 18 Asiakastieto employees took

part in the first mentoring programme as mentors or actors. An equal number of participants signed up for the second programme started in the autumn. Asiakastieto employees are eager to learn more, and especially to share their expertise with other colleagues. The mentoring programme will become a permanent method of development, part of being an Asiakastieto employee.

### Workplace Coaches as builders of community

Community is an important part of Asiakastieto Group's culture. Active Workplace Coaches are particularly involved in planning and realising collaboration. Active for some years already, the Workplace Coaches have become an established part of the Group's organisation. They develop ideas and arrange various events to promote

workplace spirit. The membership in the team is based on rotation, and interest in the activities has increased significantly. During 2017, the Workplace Coaches, among other things, organised the 'Bring Your Own Kid' day with approximately 30 children taking part, several charity projects associated with the Competitiveness Pact and the traditional annual celebration for the entire personnel.

### Moving to a multi-space environment

The year 2017 was characterised by moving. Asiakastieto Group's new office was built next to the old Yrittäjätalo building. The employees took part in the design of the premises during the year, and late in the year, it was time to pack up and move into the new office. Practising the utilisation of the new multi-space environment began at

the same time, and it will be an important theme in 2018. The new premises facilitate even better encounters between people and inter-team cooperation. Joint development projects and events will further strengthen the culture of collaboration. We will collect feedback on the functionality of the new premises and make the required alterations to guarantee job satisfaction.

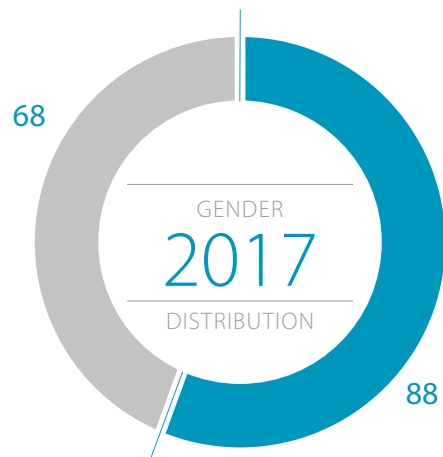
### Employer image in the development of the work community

The annual employee survey was conducted towards the end of 2017. The survey results improved in all areas, and

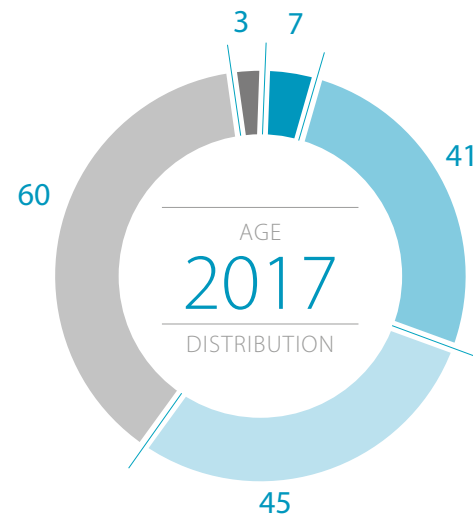
the change was particularly major in the willingness to recommend Asiakastiето as an employer, increasing by 0.5 percentage points. The pride and satisfaction of their own workplace and the services we offer our customers among Asiakastiето employees is our particular strength. Based on the previous employee survey, we had set improving the employee experience and cooperation between units as a special target for development. This year's survey results provide us with a good foundation for developing the work community further and also communicate externally about Asiakastiето Group as an employer.

### Personnel 2017

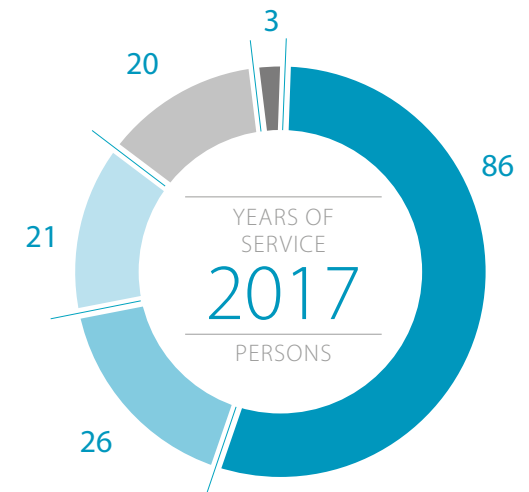
The average number of personnel employed by Asiakastiето Group during the final quarter of the year was 156. A total of 23 new employees joined Asiakastiето Group during 2017. In addition, five employees joined the Group following the acquisition of Emaileri. Combining the Customer Management product area and Emaileri's expertise in electronic communication will provide the Group with a strong foundation for developing sales and marketing services and strengthen service development work and the Asiakastiето community.



● Male ● Female



● under 30 years ● 30-40 years ● 41-50 years  
● 51-60 years ● over 60 years



● under 10 years ● 10-20 years ● 21-30 years  
● 31-40 years ● over 40 years







Key figures



FINANCIAL  
STATEMENTS  
2017

Board of Directors



Information for  
shareholders

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# Board of Directors' report 2017

## Business overview

Asiakastieto Group Plc (the "Company") is a Finnish public limited liability company and the parent company to Asiakastieto Group ("Asiakastieto Group" or the "Group"). The Company listed its shares on the main list of Nasdaq Helsinki Ltd on 31 March 2015. Suomen Asiakastieto Oy, Intellia Oy (until 31 March 2017) and Emaileri Oy (from 1 October 2017 onwards) are the operating companies in the Group.

Asiakastieto Group is one of the leading Finnish providers of business and consumer information services. The Group's products and services are primarily used for risk management, finance and administration, decision-making and sales and marketing purposes. The Group serves several industries, the largest ones including finance and banking as well as wholesale and retail sectors, expert services and insurance.

The services provided by the Group are based on a comprehensive database which combines data gathered from several public data sources as well as through the Group's own data acquisition channels. The database provides a base for the Group's services ranging from individual reports to advanced risk management solutions.

In year 2016 the Group's products and services were divided into four product areas, which were Business Information, Consumer Information, Customer Management and Certificates and Analyses. At the beginning of 2017, the product area of Certificates and Analyses was incorporated into Business Information. In addition, a new product area Real Estate and Collateral Information Services was established, which focuses on real estate information, collateral management services and housing company data services.

The product areas of the Group's products and services from 1 January 2017 onwards are:

### 1. Business Information:

Companies engaging in corporate business use business information services for risk management, financial management and decision making.

### 2. Consumer Information:

Companies in consumer business use consumer information services for making credit decisions, choosing customers and gaining knowledge of and identifying

their customers. Services for consumers provide information for consumers' personal financial management and for securing their identity.

### 3. Customer Management:

Customer management services help sales and marketing professionals to improve the efficiency of their work and customer management by providing target group tools, service for surveying potential customers, register updates and maintenance, as well as various target group extractions.

### 4. Real Estate and Collateral Information:

Real estate information services include, among others, real estate information reports, map services, information about buildings and their residents, as well as Web service solutions for real estate business. In Collateral Information services the focus is on the solutions for the automation of customers' collateral management processes.

## Financial Results

### Net Sales

Asiakastieto Group's net sales in the financial year 2017 amounted to EUR 56,2 million (EUR 49,2 million) and increased by 14,3 % compared to the previous financial year. Net sales from new products and services were EUR 5,2 million (EUR 3,6 million), which was 9,2 % (7,4 %) of the total net sales for the financial year. Net sales growth was driven by good sales development of consumer information services and real estate services, the customer's interest towards new products and services, the development of economic volumes and the consolidation of Emaileri Oy to Group accounts from 1 October 2017 onwards. One-off customer-specific new services related project revenue recognitions were lower than in the corresponding period of the previous financial year.

### Financial Results

Asiakastieto Group's operating profit (EBIT) for the financial year 2017 amounted to EUR 21,2 million (EUR 20,0 million). Operating profit included non-recurring and adjusted

items of EUR 0,5 million (EUR 0,3 million).

Adjusted operating profit margin for the financial year 2017 was nearly at the same level compared to the corresponding period of the previous financial year. The margin is positively affected by the large share of new products and services, and in general the large share of value added services, of net sales. On the other hand, good growth in the net sales of services with a direct data acquisition cost attached affects negatively to the adjusted operating profit margin. Operating margin is also affected by purchase price allocation depreciations from acquired companies. Purchase price allocation depreciations of Emaileri Oy are allocated to fourth quarter of the interim period and purchase price allocation depreciations of Intellia Oy are allocated to the full interim period.

Net financial expenses for the financial year 2017 were EUR 1,1 million (EUR 1,1 million).

The change in deferred taxes for the financial year 2017 amounted to EUR -0,8 million (EUR -3,1 million). The change in deferred taxes for the financial year 2017 was mainly caused by non-deductible net interest expenses.

The Group's result for the financial year 2017 was EUR 16,0 million (EUR 15,3 million).

### Cash Flow

The cash flow from operating activities amounted to EUR 19,9 million in 2017 (EUR 20,8 million). The change in Group's working capital was EUR 0,0 million (EUR 0,1 million).

The cash flow from investing activities amounted to EUR -10,0 million in 2017 (EUR -4,0 million). The cash flow from investing activities is affected by the acquisition of entire capital stock of Emaileri Oy and fees linked to the move to new office premises. In the corresponding financial year the investing activities were impacted by the sale of 24 % ownership in Helsingin Yrittäjätalo Oy and purchase of the entire share capital of Intellia Oy in October 2016.

The cash flow from financing activities in 2017 amounted to EUR -13,6 million (EUR -15,1 million). The Group paid a dividend during the financial year for a total of EUR 13,6 million.

### Statement of financial position

As at 31 December 2017, the Company's total assets amounted to EUR 160,3 million (EUR 156,6 million), total equity amounted to EUR 81,1 million (EUR 78,5 million) and total liabilities amounted to EUR 79,2 million (EUR 78,1 million). Of the total liabilities EUR 69,8 million (EUR 69,7 million) were long-term interest-bearing liabilities, EUR 0,7 million

(EUR 0,3 million) long-term non-interest-bearing liabilities and EUR 8,8 million (EUR 8,1 million) short-term non-interest-bearing liabilities. Goodwill was EUR 118,4 million (EUR 113,9 million) at the end of the financial year. The goodwill increased due to goodwill which resulted from the acquisition of Emaileri Oy in October 2017.

Asiakastieto Group's cash and cash equivalents at the end of the financial year 2017 were EUR 18,9 million (EUR 22,6 million) and net debt EUR 50,9 million (EUR 47,0 million). Both the revolving credit facility and the bank account overdraft were unused.

Leasing liabilities related to the office premises arrangement have been described in the note 25 Contingent liabilities. The Group has leasehold agreement on the office premises.

### Capital Expenditure

The majority of Asiakastieto Group's capital expenditure is related to product and service development and investments in IT infrastructure. Other capital expenditure comprises mainly investments in company cars and office equipment. The Group's total capital expenditure in 2017 amounted to EUR 4,3 million (EUR 3,8 million). Capital expenditure on intangible assets in 2017 amounted to EUR 2,9 million (EUR 3,6 million) and capital expenditure on tangible assets amounted to EUR 1,5 million (EUR 0,3 million).

### Research and Development

The development activities of Asiakastieto Group consist of development related to product and service offering. The capitalised development and software costs of the Group amounted to EUR 2,9 million (EUR 3,6 million) in 2017. The capitalised development and software costs comprise development costs related to the Group's product and service offering and costs related to intangible IT infrastructure. The Group had no material research activities in 2017.

### Personnel

Asiakastieto Group employed a total of 158 employees as at 31 December 2017. Of the total number of employees at the end of year 2017 1 was employed in Management, 29 were employed in Product areas, 45 in Service Production, 33 in Sales, 33 in IT and Quality and 17 in Finance, HR, IR and Legal. The Group had no employees outside Finland. The table below presents Asiakastieto Group's number of employees and wages and salaries for 2015 - 2017.

During the financial year 2017, the personnel expenses of the Group amounted to

EUR 12,6 million (EUR 12,1 million) including an accrued cost of EUR 0,5 million (EUR 0,3 million) from management's long-term incentive plan. See more information in note 26 Related parties in the notes to the condensed financial statements.

Asiakastieto Group outsourced functions related to financial statements information and financial statements analysis from 1 January 2017. The change concerned 12 employees and it has no major financial impact.

Key figures describing the Group's personnel:

Asiakastieto Group's personnel	2017	2016	2015
Number of personnel on average	153	159	149
Full-time	148	146	138
Part time and temporary	5	13	11
Wages and salaries for the financial year (EUR million)	10,4	9,8	8,8

## Shares and Shareholders

The Company has one share class. Each share carries one vote at the General Meeting of shareholders and each share confers equal right to dividends and net assets of the Company. The shares have no nominal value. The shares of the Company are incorporated in the book-entry securities system.

At the end of financial year, the share capital of the Company amounted to EUR 80 thousand (EUR 80 thousand) and the total number of shares was 15 102 178 (15 102 178).

The company did not hold own shares at the end of financial year. Asiakastieto Group Plc's Annual General Meeting of Shareholders on 30 March 2017 authorized the Board of Directors to decide on the repurchase of a maximum of 1 000 000 own shares of the Company. The authorization revoked the share authorization given on 1 April 2016 to the Board of Directors by unanimous decision of the shareholder of that time. The maximum amount corresponds to approximately 6,6 % of the Company's shares and voting rights. The authorization is effective for 18 months from the date of the resolution. See further information on the authorization in note "Authorisations of the Board of Directors".

## Share price and volume

During the financial year, a total of 1 816 212 (2 249 787) shares were traded, and the total exchange value was EUR 36,9 million (EUR 37,5 million). The highest share price in the financial year was EUR 24,35 (EUR 22,00), the lowest price was EUR 17,14 (EUR 13,15), the average price was EUR 20,31 (EUR 16,59) and the closing share price was EUR 23,90 (EUR 19,25). Market capitalization measured at the closing price of the financial year was EUR 360,9 million (EUR 290,7 million).

## Shareholders

According to the book-entry securities system, the Company had 2 470 (2 286) shareholders including 7 (7) nominee-registers at 31 December 2017. A list of the largest shareholders is available on the Company's investor pages at [investors.asiakastieto.fi](http://investors.asiakastieto.fi). The Company's biggest shareholder is the Sampo Group (Sampo Plc and Mandatum Life), their joint holding being 19,33 %.



**Significant shareholders 31 December 2017**

Shareholder	Number of shares	% of shares
1 Skandinaviska Enskilda Banken AB (Publ) Helsinki Branch	2 387 435	15,81
2 Nordea Bank AB (Publ), Branch Operation in Finland	1 982 155	13,13
3 Sampo Plc	1 520 000	10,07
4 Mandatum Life	1 400 000	9,27
5 OP-Finland -Mutual Fund	918 464	6,08
6 Svenska Handelsbanken AB (Publ), Branch Operation in Finland	570 733	3,78
7 Keva	569 222	3,77
8 Elo Mutual Pension Insurance Company	410 528	2,72
9 Clearstream Banking S,A,	400 179	2,65
10 Kaleva Mutual Pension Insurance Company	370 907	2,46
11 Mutual Fund Nordea Nordic Small Cap	350 630	2,32
12 Mutual Fund EVLI Finnish Small Cap	337 127	2,23
13 Mutual Fund Nordea Pro Finland	287 214	1,90
14 Church Pension Fund	238 775	1,58
15 SR Danske Invest Finland Institutional Equity	214 131	1,42
16 Säästöpankki Interest Plus Mutual Fund	190 500	1,26
17 Ilmarinen Mutual Pension Insurance Company	175 000	1,16
18 SR Danske Invest Finnish Small Cap Fund	169 197	1,12
19 OP-Finland Small Companies	166 485	1,10
20 Säästöpankki Kotimaa Mutual Fund	150 000	0,99
<b>20 largest shareholders total</b>	<b>12 808 682</b>	<b>84,81</b>
<b>All shares</b>	<b>15 102 178</b>	<b>100,00</b>

**Shareholder structure by sectors 31 December 2017**

Sector	Number of shareholders	% of shareholders	Number of shares	% shares
Companies and housing companies	200	8,09	787 635	5,22
Finance and insurance institutions	30	1,22	6 334 439	41,94
General government	10	0,41	1 584 228	10,49
Households	2 146	86,88	847 286	5,61
Non-profit organisations	77	3,12	199 105	1,32
Foreign shareholders	7	0,28	5 349 485	35,42
<b>Total</b>	<b>2 470</b>	<b>100,00</b>	<b>15 102 178</b>	<b>100,00</b>

The information is based on the list of the Company's shareholders maintained by Euroclear Finland Ltd. Each nominee-registered shareholder is registered as one shareholder. It is possible to handle several shareholders' portfolio through one nominee-registered shareholder.

**Management's share ownership 31 December 2017**

Board of Directors	Number of shares
Lapveteläinen Patrick, chairman of the board	10 000
Related party's ownership	8 000
Carpén Petri	0
Related party's ownership	0
Harald Bo	0
Related party's ownership	0
Månsson Carl Magnus	0
Related party's ownership	0
Ronkainen Anni (Anna-Maria)	0
Related party's ownership	0
<b>Total</b>	<b>18 000</b>

<b>Management</b>	<b>Number of shares</b>
<b>Ruuska Jukka, CEO</b>	60 000
Related party's ownership	0
<b>Kallio Risto</b>	2 712
Related party's ownership	0
<b>Karemo Mikko</b>	4 219
Related party's ownership	0
<b>Kauppi Terhi</b>	2 371
Related party's ownership	0
<b>Koivula Heikki</b>	9 040
Related party's ownership	0
<b>Kumpu Esa</b>	0
Related party's ownership	0
<b>Muhonen Jouni</b>	3 014
Related party's ownership	0
<b>Julin Jari</b>	0
Related party's ownership	0
<b>Ylpekkala Heikki</b>	0
Related party's ownership	0
<b>Total</b>	<b>81 356</b>
<b>Related party's ownership</b>	<b>Number of shares</b>
<b>Grandell Martin, auditor in charge</b>	0
Related party's ownership	0
<b>Total</b>	<b>0</b>



## Management

### Board of Directors

The Company's Board of Directors consists of a minimum of four and maximum of eight members. The Annual General Meeting elects the Board members and decides on their remuneration. The Board of Directors elects the Chairman of the Board and also, if necessary, the Vice Chairman of the Board from among its members. The term of office of the wBoard members ends at the conclusion of the first Annual General Meeting following their election. There are no limitations to the number of terms a person can be a Board member.

Asiakastieto Group Plc's Annual General Meeting held on 30 March 2017 confirmed the financial statements and discharged the Board members and CEO from liability for the financial year ended 31 December 2016. The General Meeting confirmed that the annual remuneration for the Board chairman is EUR 40 000 and the annual remuneration for members is EUR 25 000. A separate remuneration will not be paid for the attendance to Board meetings. The chairman of Board of Directors committee shall receive an attendance fee of 500 euros and the committee members shall be paid an attendance fee of 400 euros per committee meeting.

The Annual General Meeting held on 30 March 2017 re-elected in accordance with the Nomination Committee proposal Bo Harald, Petri Carpén and Anni (Anna-Maria) Ronkainen, Patrik Lapveteläinen and Carl-Magnus Månsson. After these elections, the Board of Directors further consists of five members. In the organization meeting held on 30 March 2017 the Board of Directors elected Patrick Lapveteläinen as the chairman of the Board. The Board of Directors met 10 times during the year 2017. In addition, the Board of Directors made once a decision in accordance with the Companies Act Chapter 6, section 3 without a meeting.

### Board Committees

The Board of Directors appoints two committees from among its members: i) the Audit Committee and ii) the Nomination and Remuneration Committee. The Board of Directors may also appoint other committees, if deemed appropriate. The committees assist the Board of Directors by preparing and drawing up proposals and recommendations for the Board of Director's consideration.

On 30 March 2017 Board of Directors re-nominated Petri Carpén, Anni (Anna-Maria) Ronkainen and Carl-Magnus Månsson as members of the Audit Committee. Petri Carpén was continued as the Chairman of the Audit Committee.

The Nomination and Remuneration Committee consists of at least three members. On 30 March 2017 Board of Directors decided not to appoint the Nomination and Remuneration Committee.

### Authorisations of the Board of Directors

#### Share issue

The Annual General Meeting of shareholders held on 30 March 2017 authorized the Company's Board of Directors to decide on one or more share issues, including the right to issue new shares or transfer shares held by the Company. The maximum number of shares covered by the authorization is 1 000 000. The Board of Directors was authorized to decide on a directed share issue. The authorization can be used for material arrangements from the Company's point of view, such as financing or implementing business arrangements or investments or for other purposes determined by the Board of Directors, in which case there would be a significant financial reason for issuing shares or possibly for directing a share issue.

The company's Board of Directors was authorized to decide on all other share issue conditions, including payment term, specification grounds for subscription of shares and subscription price or issue shares without payment or that subscription price can be paid by cash, but also fully or partially other property.

The authorization is effective for 18 months from the date of the resolution of Annual General Meeting. The authorization revoked the share authorization given on 1 April 2016 to the Board of Directors by unanimous decision of the shareholder. The authorization is unused on 15 February 2018.

#### Acquisition of own shares

In addition, the Annual General Meeting authorized the Board of Directors to decide on the re-purchase of maximum of 1 000 000 own shares of the Company in one or several transactions. The shares will be acquired using the Company's unrestricted shareholders' equity, which means that the repurchases will decrease funds available for distribution. Shares could be repurchased, for example, in order to develop the Company's capital structure, to finance or carry out potential acquisitions or other business rearrangements, to be used as part of the Company's incentive arrangement, or otherwise to be transferred further, to be retained by the Company as treasury shares, or to be cancelled.

In accordance with a decision by the Board of Directors, shares may also be acquired,

using funds belonging to the Company's unrestricted equity, in a proportion other than that of the shares held by shareholders and at the market price of the shares quoted on regulated market arranged by Nasdaq Helsinki Ltd, or at a price otherwise determined on the market at the acquisition date. The Board of Directors will decide how the shares will be repurchased. Among other means, derivatives may be used in acquiring the shares. According to authorization, the Board of Directors decides on all other matters relating to the repurchase of the shares.

The authorization is effective for 18 months from the date of the resolution of the Annual General Meeting. The authorization revokes the share authorization given on 1 April 2016 to the Board of Directors by unanimous decision of the shareholder. The authorization is unused on 15 February 2018.

Company publishes a separate Corporate Governance Statement.

### CEO and Executive Team

Jukka Ruuska served as the Chief Executive Officer (CEO) of the Company in 2017. As at 31 December 2017, the other members of the Executive Team were Heikki Koivula (Business Information), Mikko Karemo (Sales), Jouni Muhonen (Consumer Information), Esa Kumpu (Customer Management), Risto Kallio (Service Production), Jari Julin (IT and Quality), Terhi Kauppi CFO (Finance, Legal, HR and IR) and Heikki Ylipekkala (Real Estate and Collateral Information).

Jari Julin was nominated as new CIO and member of the executive team of Asiakastieto Group from 20 February 2017. The Group's former CIO Pertti Vahermaa left the company on 31 March 2017.

### Auditor

Authorised Public Accountants PricewaterhouseCoopers Oy acted as auditor of the Company in 2017. The auditor in charge was Juha Tuomala, Authorised Public Accountant until 30 March 2017 and from then Martin Grandell, Authorised Public Accountant.

### Loans, Liabilities and Commitments to Third Parties

There were no remarkable changes in the Company's financial position during 2017. The Group has a term loan and revolving credit facility agreement with Danske Bank Plc and Pohjola Bank Plc totalling of EUR 75,0 million consisting of a EUR 70,0 million term loan drawn down under the agreement and a EUR 5,0 million revolving credit facility including EUR 0,5 million bank overdraft.

Asiakastieto Group's cash and cash equivalents at 31 December 2017 were EUR 18,9 million (EUR 22,6 million). Both the revolving credit facility and the bank overdraft were unused as at 31 December 2017.

See further information of loans, liabilities and commitments to related parties in note 21 Interest-bearing liabilities, note 25 Contingent liabilities and note 26 Related parties in the consolidated financial statements.

### Group Structure and Organisation

Asiakastieto Group consists of Asiakastieto Group Plc, its wholly-owned subsidiaries Suomen Asiakastieto Oy and Emaileri Oy.

Intellia Oy owned by Asiakastieto Group Plc was merged to its subsidiary Suomen Asiakastieto Oy on 31 March 2017 and was dissolved without liquidation procedure. The merger was implemented according to the merger plan dated on 28 October 2016 gratuitously.

Suomen Asiakastieto Oy's subsidiaries Omatieto Oy and Suomen Maksutieto Oy were dissolved through a voluntary liquidation procedure on 27 December 2017. The companies did not have any business. .

### Legal proceedings

Disputes arise from time-to-time in the course of day-to-day operations of Asiakastieto Group. However, Asiakastieto Group was not party to any material litigation, arbitration proceeding or administrative proceeding in 2017 that may have a material effect on its financial position or profitability. The Company is not aware of any material such proceedings being pending or threatened.

### Events after the reporting date

#### Change in Asiakastieto Group Executive team

Terhi Kauppi, M.Sc. (Econ), will leave her position as CFO of Asiakastieto Group Oyj. Terhi Kauppi will continue in her duties until 9 May 2018 after which she will pursue new challenges outside Asiakastieto Group. Recruitment of new CFO has been already started and the selection will be communicated separately.

## Risks and Uncertainties

Asiakastieto Group is exposed to a number of risks and uncertainties related to, among other factors, the market conditions, the Group's industry, strategy, business operations and financial risks. The materialisation of any such risks could have a material adverse effect on Asiakastieto Group's business, financial condition, results of operations and future prospects.

### Market and strategic risks

Demand for the Group's products and services depends on the transaction volumes of its customers which, in turn, are sensitive to changes in general economic conditions. Demand tends to follow the general levels of economic activity and commercial transaction volumes and the slow economic growth prevailing in Finland in recent years, generally results in lower levels of demand for the Group's products and services. However, during years 2016 and 2017 the economic activity has increased and effected positively on the demand of Group's products.

Asiakastieto Group operates in a number of product and service markets that is competitive and subject to evolving customer needs. Information services are becoming more readily available, principally due to the greater availability of public data, the expansion of the Internet and the emergence of new service providers, which may increase competition on the market. The greater availability of data could also facilitate developing certain services, such as analytical services, in-house by the Group's customers.

Competitive tenders by the customers and overall customer cost-consciousness may cause some downward pricing pressure in the Group's markets. In addition, price pressure by Asiakastieto Group's competitors could negatively affect the Group's margins and results of operations and could also harm its ability to obtain new customers on favourable terms.

The Group's largest customer accounted for approximately 7,6 % of Asiakastieto Group's invoicing in 2017, while the 10 largest customers accounted for approximately 31,3 % and 40 largest customers accounted for approximately 47,8 % of the invoicing respectively. The loss of one or several of its largest customers could have an adverse effect on Asiakastieto Group.

Collection, storage and use of data are subject to detailed regulation. Changes in the regulatory framework could require Asiakastieto Group to adapt its service offering or its strategy, resulting in increased costs, force the Group to discontinue provision of certain products and services or prevent or delay the development of its activities.

### Operational risks

Asiakastieto Group's business relies on data from external data providers, including government agencies and other public sources, customers and other sources. If one or more data provider were to cease making their data available for any reason or substantially increase the price of their data, Asiakastieto Group's ability to provide its products and services to its customers could be adversely affected.

Asiakastieto Group believes that its continued success will be influenced by its ability to meet customers' needs through the development of products and services that are easy to use and that seek to increase customers' business process efficiency, offer cost savings, and facilitate better business decisions. The Group may experience delays in developing new products and services and enhancements to existing products, due to technical challenges, difficulties with external IT development resources, data acquisition or regulatory requirements, in which case the Group's results could suffer.

Asiakastieto Group has and will continue to undertake continuous investments in its technology infrastructure, including its hardware and software. If Asiakastieto Group experiences any failures related to its technology investments, it may not achieve its expected revenue development, or may experience increased costs, and it could experience a competitive disadvantage in the marketplace, such as the inability to offer certain types of new products and services or to collect certain types of new data.

The secure and uninterrupted operation of Asiakastieto Group's networks and systems is critical to its business operations. Any unauthorised access, disclosure, loss or misuse of information may result in Asiakastieto Group being in breach of data protection and related legislation, reputational harm, loss of revenue, claims or regulatory actions.

In addition, despite testing and data quality control, the products and services developed by Asiakastieto Group as well as the operating systems or software used by the Group may contain errors or defects. Asiakastieto Group's information technology networks and infrastructure could be vulnerable to damage or disruptions due to various reasons. In the event of such an incident, Asiakastieto Group's information technology infrastructure may not be operative, which could hamper its operations and result in contractual breaches, among other.

Asiakastieto Group is exposed to a number of financial risks, including interest rate risks, credit risk and liquidity risk. The Group's financial risks and financial risk management is described in the section 4 in the notes to the consolidated financial statements.

## Financial targets, Dividends and Outlook

### Financial targets

The Board of Directors of Asiakastieto Group has adopted long-term financial targets and dividend policy for the Group. The long-term financial targets are:

- **Growth:**  
Achieve 5–10 per cent average growth in net sales
- **Profitability:**  
Maintain the profitability level of current services
- **Balance sheet structure:**  
Maintain net debt to EBITDA of less than 3x while continuing to maintain an efficient capital structure

### Dividend Policy

The Company's dividend policy is to distribute as dividends at least 70 per cent of the Company's net profit, whilst, taking into consideration the business development and investment needs of the Group. Any dividends to be paid in future years, their amount and the time of payment will depend on Asiakastieto Group's future earnings, financial condition, cash flows, investment needs, solvency and other factors.

The Annual General Meeting of shareholders held on 30 March 2017 decided according to the Board of Director's proposal distribution of dividend EUR 0,90 per share. The dividend record date was 3 April 2017 and the dividend was paid 10 April 2017.

### Proposal for the Distribution of Profits

Asiakastieto Group Plc's distributable funds as at 31 December 2017 amounted to EUR 129 889 471,04, of which the profit for the financial year was EUR 16 280 596,36. The Board of Directors proposes to the Annual General Meeting convening on 22 March 2018 that funds EUR 0,95 per share, totaling EUR 14 347 069,10 shall be distributed as follows:

	EUR / share	EUR
From the profit of the financial year as dividend	0,95	14 347 069,10
To be retained in unrestricted equity		115 542 401,94
<b>Total</b>		<b>129 889 471,04</b>

### Outlook

Asiakastieto Group expects its net sales growth rate to be at the higher end of the long-term target (5–10 %) and to maintain adjusted EBITDA margin at about the current level.

The outlook is subject to risks related to, among other factors, the development of Finnish economy and business operations of the Group. The most significant risks related to business operations include risks related to the success of product and service development activities, launches of new products and services and risks related to competitive tenders and to losing significant customer accounts.



## Key financial information for the Group

### Key income statement and cash flow figures and ratios

EUR million (unless otherwise mentioned)	2017	2016	2015
Net sales	56,2	49,2	43,7
EBITDA	24,3	22,5	18,0
EBITDA margin, %	43,3	45,7	41,2
Adjusted EBITDA <sup>1</sup>	24,8	21,7	20,5
Adjusted EBITDA margin, % <sup>1</sup>	44,2	44,1	47,0
Operating profit (EBIT)	21,2	20,0	15,8
Operating profit (EBIT) margin, %	37,8	40,7	36,1
Adjusted EBIT <sup>1</sup>	21,7	19,2	18,3
Adjusted EBIT margin, % <sup>1</sup>	38,7	39,1	41,8
Free cash flow <sup>2</sup>	20,3	17,2	13,8
Cash conversion, % <sup>2</sup>	83,4	76,6	76,5
Net sales from new products and services <sup>3</sup>	5,2	3,6	3,8
New products and services share of net sales, % <sup>3</sup>	9,2	7,4	8,6
Net sales from value-added services	38,9	32,2	26,0
Value-added services share of net sales, %	69,2	65,4	59,4

### Key balance sheet ratios

EUR million (unless otherwise mentioned)	2017	2016	2015
Balance sheet total	160,3	156,6	155,5
Net debt	50,9	47,0	48,5
Net debt to adjusted EBITDA, x	2,1	2,2	2,4
Return on equity, %	20,1	19,6	16,0
Return on capital employed, %	14,2	13,5	11,2
Equity ratio, %	51,0	50,5	50,9
Gearing, %	63,0	59,9	62,1
Gross investments	4,3	3,8	3,6

<sup>1</sup> Adjusted key figures are adjusted by following items: management fees which the Company has paid to Investcorp, the former owner of the Company, until the listing of the Company for certain ongoing advisory services, costs relating to the listing, an expense relating to the discount given to the personnel in the personnel offering, M&A related fees for legal and other advisory services, redundancy payments and compensations paid. The above listed adjusted items in the financial year 2017 were EUR -0,5 million, in the financial year 2016 EUR -0,3 million and in the financial year 2015 EUR -2,5 million. Adjusted key figures for the financial year 2016 are also adjusted by the non-recurring profit on the sale of shares of office premises EUR 1,1 million.

<sup>2</sup> The impact of adjusted items on free cash flow in the financial year for 2017 were EUR -0,5 million, in financial year 2016 were EUR -0,4 million and in the financial year 2015 EUR -2,9 million.

<sup>3</sup> The method used for calculating the share of new products and services, the comparative figures for the financial year 2015 have been changed into rolling starting from 1 January 2016, so that the share include sales of products, which have been launched during the past 24 months. Earlier the share was calculated from the sales of products launched during the previous and current financial year. Figures based on the old calculation method was 7,6 % in the financial year 2015.

## Share-related key figures

EUR (unless otherwise mentioned)	2017	2016	2015
Earnings per share, basic and diluted	1,06	1,01	0,76
Equity per share	5,37	5,20	5,18
Dividend per share	0,95	0,90	1,00
Dividend per earnings, %	89,4	88,7	131,5
Effective dividend yield, %	4,0	4,7	6,7
Price per earnings	22,5	19,0	19,7
Share price development			
Average price	20,31	16,59	14,88
Highest price	24,35	22,00	15,90
Lowest price	17,14	13,15	13,80
Closing price	23,90	19,25	14,98
Market capitalisation, EUR million	360,9	290,7	226,2
Trading volume, pcs <sup>4</sup>	1 816 212	2 249 787	24 194 331
Trading volume, %	12,0	14,9	160,7
Adjusted number of shares			
Weighted average during financial year	15 102 178	15 102 178	15 072 504
At the end of the financial year	15 102 178	15 102 178	15 102 178
Adjusted number of shares, diluted			
Weighted average during financial year	15 158 471	15 127 345	15 075 997
At the end of the financial year	15 166 273	15 127 345	15 106 747

<sup>4</sup> Key figure for the financial year 2015 includes the sale of 13 225 000 shares in connection with the listing carried out by AKT Holdings S.à r.l.

### Alternative performance measures used in financial reporting

ESMA (European Securities and Markets Authority) on Alternative Performance Measures<sup>1</sup> became effective for the financial year 2016. In accordance with this, Asiakastieto Group Plc discloses a summary on the use of alternative performance measures used by the Group, definitions of the performance measures used and their matching with the IFRS financial statements figures.

Asiakastieto Group Plc presents alternative performance measures to reflect the underlying business performance and to enhance comparability from period to period. Alternative performance measures should not be considered as a substitute for measures in accordance with IFRS.

Alternative performance measures i.e. performance measures not based on financial statements standards provide meaningful supplemental information to the management and investors, securities analysts and other parties by excluding items that may not be indicative of the Group's operating result or cash flows. EBITDA, adjusted EBITDA, adjusted EBIT, return on equity, return on capital employed and gross investments are presented as alternative performance measures, as they, according to the Company's view, enhance the understanding of the Group's operating result and are frequently used by analysts, investors and other parties.

Free cash flow and cash conversion are presented as alternative performance measures, as they provide, according to the company's view, a good insight into the needs relating to the Group's business cash flow and are frequently used by analysts, investors and other parties.

Net debt, net debt to adjusted EBITDA, return on equity and gearing are presented as alternative performance measures, as they are, according to the Company's view, useful measures of the Group's ability to obtain financing and pay their debts, and they are frequently used by analysts, investors and other parties.

Certain non-operational or non-cash valuation transactions with significant income statement impact are adjusted as items affecting comparability, if they arise from:

- profit on the sale of shares of office premises as a one-off transaction
- negotiated redundancy payments omitted from the operative cost structure
- compensation for damages as one-off transactions
- legal actions as one-off transactions
- management fees omitted permanently from the Group's cost structure

- Company's listing as a one-off transaction
- discount given to the personnel in the personnel offering as a one-off transaction
- M&A related legal and other advisory service fees

### Alternative performance measures are defined as follows:

#### • *EBITDA*

EBITDA is the profit (loss) for the financial year before (i) income taxes, (ii) financial income and expenditure and (iii) depreciation and amortization.

#### • *Adjusted EBITDA*

Adjusted EBITDA consists of EBITDA, excluding (i) management fees which were paid by the Company to Investcorp, the former owner of the Company, until the listing of the Company for advisory services from the moment the company bought Suomen Asiakastieto Oy's former parent company in 2008 and which are no longer generated since the listing of the Company, (ii) costs relating to the listing, (iii) M&A related fees for legal and other advisory services, (iv) redundancy payments, (v) compensations and (vi) expenses relating to the discount given to the personnel in the personnel offering – (vii) profit on sale of shares of office premises.

#### • *Adjusted EBIT*

Adjusted EBIT consists of EBIT, excluding (i) management fees which were paid by the Company to Investcorp, the former owner of the Company, until the listing of the Company for advisory services from the moment the Company bought Suomen Asiakastieto Oy's former parent company in 2008 and which are no longer generated since the listing of the Company, (ii) costs relating to the listing, (iii) M&A related fees for legal and other advisory services, (iv) redundancy payments, (v) compensations and (vi) expenses relating to the discount given to the personnel in the personnel offering – (vii) profit on sale of shares of office premises.

#### • *Net sales from new products and services*

New products and services are a significant driver of growth in the company and consumer data market. The impact of new products and services is especially important in times of poor economy, because they dilute the impact of the poor economic situation on the demand for current products and services. New products and services replace or update old products and services. They are often more advanced than old products and services, or they respond to potential market

<sup>1</sup> Alternative Performance Measure refers to a financial measure other than financial measure defined or specified in IFRS norms.

demand. In addition to customer needs, the development of new products and services is also guided by opportunities recognised by service providers. According to the Company's view, company and consumer data markets in Finland are somewhat immature compared to many European countries, and there is potential for new products and services in the market.

- **Net sales from value-added services**

Net sales from value-added services is calculated as net sales from such services, which have been tailored for special purposes or which contain intelligent characteristics, such as credit ratings and decisioning systems. Examples of value-added services comprise aot. data packages, standardized rating and decisioning services, and outsourced solutions and solutions running in the technical environment of Asiakastieto Group. It is not possible to categorize part of the Group's net sales into value-added services or basic data products, for example, due to subscription fees and fixed-priced customer agreements, which cover the Group's entire product and service range. These are not included in the net sales from value-added services.

- **Free cash flow**

Free cash flow consists of the cash flow from operating activities before (i) paid interests and other financing expenses, (ii) received interests and other financing income, and (iii) paid income taxes deducted (iv) by acquisition of tangible and intangible assets.

- **Cash conversion**

Cash conversion is calculated by dividing free cash flow by EBITDA.

- **Net debt**

Net debt is calculated as difference of interest-bearing liabilities and cash and cash equivalents. Interest-bearing liabilities include loans from financial institutions (short- and long-term loans), and cash and cash equivalents include short-term deposits, cash assets and bank accounts.

- **Net debt to adjusted EBITDA**

Net debt to adjusted EBITDA is calculated by dividing net debt by adjusted EBITDA.

- **Return on equity**

Return on equity is calculated by dividing (i) profit (loss) for the financial year by (ii) total equity (average for the financial year).

- **Return on capital employed**

Return on capital employed is calculated (i) by adding financial expenses to the profit (loss) before taxes and (ii) by dividing the sum by the average of the difference of the balance sheet total and non-interest bearing debts of the opening and closing balance sheet.

- **Gearing**

Gearing is calculated by dividing net debt by total equity.

- **Equity ratio**

Equity ratio is calculated by dividing (i) total equity by (ii) balance sheet total, deducted by advances received.

- **Gross investments**

Gross investments are fixed asset acquisitions with long-term effect, from which no sales of property or renunciation of business have been deducted. As a general rule, fixed assets comprise property, plant and equipment and intangible assets.

Alternative performance measures are not included as such in the consolidated financial statements prepared according to IFRS, but they have been derived from IFRS consolidated financial statements or interim reports by adjusting items of the main statements or notes and/or by proportioning these to one another. Alternative performance measures should not be considered an alternative (i) for the operating profit or profit (loss) for the financial year in the assessment of the business results, (ii) for the business, investment or financing cash flow when assessing the ability to comply with cash needs, or (iii) other performance measures according to IFRS, or as measures of profitability and liquidity. All companies do not calculate alternative performance measures in a uniform way, and thus the alternative performance measures used by the Company are not necessarily comparable with similarly named performance measures of other companies. Thus the alternative performance measures used by the Company must be reviewed taking into account factors possibly impacting the comparability of performance measures presented by other companies.



**Matching of alternative performance measures to the closest IFRS performance measure****Adjusted EBIT**

EUR thousand	2017	2016	2015
<b>EBIT</b>	<b>21 232</b>	<b>20 013</b>	<b>15 767</b>
Profit from the sale of office premise shares	-	-1 106	-
Administration fees	-	-	25
Listing expenses	-	-	2 079
Share issue discount to personnel	-	-	151
Fees for legal and other advisory services, redundancy payments and compensations paid	516	307	269
<b>Adjusted EBIT</b>	<b>21 748</b>	<b>19 214</b>	<b>18 290</b>

**EBITDA and adjusted EBITDA**

EUR thousand	2017	2016	2015
<b>EBIT</b>	<b>21 232</b>	<b>20 013</b>	<b>15 767</b>
Depreciations and amortizations	3 074	2 450	2 259
<b>EBITDA</b>	<b>24 307</b>	<b>22 463</b>	<b>18 026</b>
Profit from the sale of office premise shares	-	-1 106	-
Administration fees	-	-	25
Listing expenses	-	-	2 079
Share issue discount to personnel	-	-	151
Fees for legal and other advisory services, redundancy payments and compensations paid	516	307	269
<b>Adjusted EBITDA</b>	<b>24 823</b>	<b>21 664</b>	<b>20 549</b>

**Free cash flow**

EUR thousand	2017	2016	2015
<b>Cash flow from operating activities</b>	<b>19 914</b>	<b>20 779</b>	<b>15 314</b>
Paid interest and other finance expenses	962	988	1 266
Interest received and other finance income	-4	-7	-4
Paid taxes	3 739	10	-
The purchase of intangible and tangible assets	-4 344	-4 565	-2 789
<b>Free cash flow</b>	<b>20 268</b>	<b>17 204</b>	<b>13 787</b>

## Formulas for Key figures

EBITDA	EBIT + Depreciations and amortizations
Adjusted EBITDA	EBITDA + (i) Management fees paid by the Company to Investcorp, the former owner of the Company, until the listing of the Company for advisory services, (ii) costs relating to the listing, (iii) M&A related fees for legal and other advisory services, (iv) redundancy payments, (v) compensations and (vi) expenses relating to the discount given to the personnel in the personnel offering – (vii) profit on sale of shares of office premises
Adjusted EBIT	EBIT + (i) Management fees paid by the Company to Investcorp, the former owner of the Company, until the listing of the Company for advisory services, (ii) costs relating to the listing, (iii) M&A related fees for legal and other advisory services, (iv) redundancy payments, (v) compensations and (vi) expenses relating to the discount given to the personnel in the personnel offering – (vii) profit on sale of shares of office premises.
Free cash flow	Cash flow from operating activities added by paid interests and other financing expenses, deducted by received interests and other financing income, added by paid taxes and deducted by acquisition of tangible and intangible assets
Cash conversion, %	$\frac{\text{Free cash flow}}{\text{EBITDA}} \times 100$
Net sales from new products and services	Net sales of new products and services is calculated as net sales of those products and services introduced within the past twelve months together with the increase or decrease in the past twelve months' net sales of those products and services introduced within the preceding twelve months as compared to the net sales of those products and services in the preceding twelve months.
Net sales from value-added services	Net sales generated from value-added services during the financial year
Net debt	Interest-bearing liabilities - Cash and cash equivalents
Net debt to adjusted EBITDA, x	$\frac{\text{Net debt}}{\text{Adjusted EBITDA}}$
Return on equity, %	$\frac{\text{Profit (loss) for the financial year}}{\text{Total equity (average for the financial year)}} \times 100$
Return on capital employed, %	$\frac{\text{Profit (loss) before taxes + Financial expenses}}{\text{Total assets - Non-interest-bearing liabilities (average for the financial year)}} \times 100$
Gearing, %	$\frac{\text{Interest-bearing liabilities - Cash and cash equivalents}}{\text{Total equity}} \times 100$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - Advances received}} \times 100$
Dividend / earnings, %	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend per share}}{\text{Market value per share on the last day of the financial year}} \times 100$
Price / Earnings	$\frac{\text{Market value per share on the last day of the financial year}}{\text{Earnings per share}}$

# Consolidated Statement of Comprehensive Income

EUR thousand	Note	1.1. – 31.12.2017	1.1. – 31.12.2016
<b>Net sales</b>	6	<b>56 201</b>	<b>49 178</b>
Other operating income	7	208	1 150
Materials and services	8	-11 963	-9 200
Personnel expenses	9	-12 635	-12 091
Other operating expenses	10	-8 756	-7 870
Work performed by the entity and capitalised		1 251	1 296
Depreciation and amortisation	11	-3 074	-2 450
<b>Operating profit</b>		<b>21 232</b>	<b>20 013</b>
Finance income	12	4	7
Finance expenses	12	-1 076	-1 093
Finance income and expenses		-1 072	-1 086
<b>Profit before income tax</b>		<b>20 160</b>	<b>18 927</b>
Income tax expenses	13	-4 117	-3 612
<b>Profit for the financial year</b>		<b>16 043</b>	<b>15 316</b>
<b>Total comprehensive income for the financial year</b>		<b>16 043</b>	<b>15 316</b>
<b>Profit attributable to:</b>			
Owners of the Parent Company		16 043	15 316
<b>Total comprehensive income attributable to:</b>			
Owners of the Parent Company		16 043	15 316
<b>Earnings per share attributable to the owners of the parent during the financial year:</b>			
Basic and diluted	14	1,06	1,01

The notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Financial Position

EUR thousand	Note	31.12.2017	31.12.2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	15	118 411	113 872
Other intangible assets	15	11 085	8 217
Property, plant and equipment	16	1 996	1 388
Deferred tax assets	23	1 647	2 973
Loan and other receivables	17	365	167
<b>Total non-current assets</b>		<b>133 505</b>	<b>126 617</b>
<b>Current assets</b>			
Account and other receivables	18	7 896	7 338
Cash and cash equivalents	19	18 919	22 632
<b>Total current assets</b>		<b>26 815</b>	<b>29 970</b>
<b>Total assets</b>		<b>160 320</b>	<b>156 587</b>

EUR thousand	Note	31.12.2017	31.12.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	20	80	80
Invested unrestricted equity reserve	20	112 355	112 355
Accumulated losses	20	-47 379	-49 250
Profit for the financial year	20	16 043	15 316
<b>Total equity</b>		<b>81 099</b>	<b>78 501</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing liabilities	21	69 775	69 661
Account and other payables	22	652	278
<b>Total non-current liabilities</b>		<b>70 428</b>	<b>69 940</b>
<b>Current liabilities</b>			
Advances received	24	1 358	1 261
Account and other payables	24	7 434	6 886
<b>Total current liabilities</b>		<b>8 793</b>	<b>8 147</b>
<b>Total liabilities</b>		<b>79 220</b>	<b>78 087</b>
<b>Total equity and liabilities</b>		<b>160 320</b>	<b>156 587</b>

The notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Changes in Equity

### Attributable to owners of the parent

EUR thousand	Note	Share capital	Invested unrestricted equity reserve	Accumulated losses	Total
<b>Equity at 1.1.2016</b>		80	116 584	-38 502	78 161
Total comprehensive income for the financial year	20	-	-	15 316	15 316
Distribution of dividend	20	-	-	-10 874	-10 874
Return of capital	20	-	-4 229	-	-4 229
Management's incentive plan	20, 26	-	-	126	126
<b>Equity at 31.12.2016</b>		80	112 355	-33 935	78 501
<b>Equity at 1.1.2017</b>		80	112 355	-33 935	78 501
Total comprehensive income for the financial year	20	-	-	16 043	16 043
Distribution of dividend	20	-	-	-13 592	-13 592
Management's incentive plan	20, 26	-	-	148	148
<b>Equity at 31.12.2017</b>		80	112 355	-31 336	81 099

The notes are an integral part of these consolidated financial statements.

## Consolidated Statement of Cash Flows

EUR thousand	Note	1.1.-31.12.2017	1.1.-31.12.2016
<b>Cash flows from operating activities</b>			
Profit before income tax		20 160	18 927
Adjustments for:			
Depreciation and amortisation	11	3 074	2 450
Finance income and expenses	12	1 072	1 086
Profit (-) / loss (+) on disposal of property, plant and equipment		-167	-20
Other adjustments		464	-778
Cash flows before change in working capital		24 603	21 666
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables		-726	6
Increase (+) / decrease (-) in account and other payables		734	98
Change in working capital		8	104
Interest and other finance expenses paid		-962	-988
Interest and other finance income received		4	7
Income taxes paid		-3 739	-10
<b>Net cash from operating activities</b>		<b>19 914</b>	<b>20 779</b>

EUR thousand	Note	1.1.-31.12.2017	1.1.-31.12.2016
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	16	-1 475	-1 074
Purchases of intangible assets	15	-2 869	-3 492
Purchases of subsidiaries, net of cash acquired	5	-5 997	-2 929
Proceeds from sale of property, plant and equipment		306	3 622
Purchases of other investments	5	-	-100
Long-term receivables		-1	-67
<b>Net cash used in investing activities</b>		<b>-10 035</b>	<b>-4 040</b>
<b>Cash flows from financing activities</b>			
Short-term financing, net increase (+) / decrease (-)		-	-47
Dividends paid and other profit distribution	20	-13 592	-15 102
<b>Net cash used in financing activities</b>		<b>-13 592</b>	<b>-15 149</b>
<b>Net increase / decrease in cash and cash equivalents</b>		<b>-3 713</b>	<b>1 589</b>
Cash and cash equivalents at beginning of the financial year		22 632	21 042
<b>Cash and cash equivalents at end of the financial year</b>		<b>18 919</b>	<b>22 632</b>

The notes are an integral part of these consolidated financial statements.

# Notes to the Consolidated Financial Statements

## 1 General information

Asiakastieto Group Plc (the "Company") is a Finnish public limited liability company and the parent company to Asiakastieto Group ("Asiakastieto Group" or the "Group"). The registered address of Asiakastieto Group Plc is Hermannin rantatie 6, PO BOX 16, 00581 Helsinki, Finland.

Asiakastieto Group through its subsidiary Suomen Asiakastieto Oy is one of the leading Finnish providers of business and consumer information services. The Group's products and services are primarily used for risk management, finance and administration, decision-making and sales and marketing purposes. The Group serves several industries, the largest of which include finance and banking, wholesale and retail sectors, expert services and insurance. Asiakastieto Group owns a broad database, including both publicly available and privately acquired data. The database is the basis for the Group's product and service offering and the development of new products and services.

Copies of the consolidated financial statements are available at the head office at Hermannin rantatie 6, 00580 Helsinki and at the Group's website [www.asiakastieto.fi](http://www.asiakastieto.fi).

The Board of Directors of Asiakastieto Group Plc has approved these consolidated financial statements for issue on 15 February 2018. Under the Finnish Limited Liability Companies Act, shareholders can approve or disapprove the consolidated financial statements in the Annual General Meeting held after the release. The Annual General Meeting is also entitled to amend the consolidated financial statements.

## 2 Summary of significant accounting policies

### 2.1 Basis of preparation

The consolidated financial statements of Asiakastieto Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, conforming with the IAS standards and IFRS standards as well as SIC and IFRIC interpretations applicable as per 31 December 2017. IFRS refer to the standards and interpretations applicable by corporations set out by the Finnish accounting ordinance

and other guidance set out on the basis of this ordinance enforced for application in accordance with the procedure stipulated in the regulation (EC) No 1606/2002 of the European Parliament and of the Council. The notes to the consolidated financial statements also comply with the Finnish accounting and corporate legislation complementing the IFRS standards.

The consolidated financial statements have been prepared primarily under the historical cost convention unless otherwise indicated. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

During the financial year amendments to standards or interpretations come to force have not had a material impact on the consolidated financial statements.

The amounts are presented in thousands of euros unless otherwise stated. Amounts presented in the consolidated financial statements are rounded, so the sum of individual figures may differ from the sum reported.

### 2.1.1 New standards and interpretations not yet adopted

Asiakastieto Group has not yet applied the following new and amended standards and interpretations already issued. The Group will adopt them as at the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

Changes in the IFRS 2 standard *Share-based Payments* clarify the accounting process of certain types of arrangements. They concern three sections: Measurement of payments paid in cash, share-based payments from which source tax has been deducted, and the change of share-based payments paid in cash to be paid from equity. Changes in the standard must be applied in financial periods beginning on 1 January 2018 or

after that, the standard changes do not have a material impact on the future financial statements of the Group.

IFRS 9 *Financial instruments*, addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces totally the IAS 39 standard. IFRS 9 requires financial assets to be classified into three measurement categories for financial assets: amortised cost, fair value through OCI and fair value through P&L. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new standard provides changes for hedge accounting and a new model for the assessment of impairment of financial assets, requiring that expected credit losses have been recognised earlier. Also IFRS 9 contains extended requirements for notes and presentation. The executive team assesses the impact of the standard on consolidated financial statements and plans to apply on the inception date from 1 January 2018.

IFRS 15 *Revenue from Contracts with Customers* specifies how and when an IFRS reporter will recognise revenue. It replaces IAS 11 long term projects and IAS 18 revenue and its interpretations. The standard also requires companies to provide for the users of financial statements more informative and essential information. According to the standard revenue is recognised when the client gets authorization to goods or service. Client gets the authorization when it can control the use of goods or service or to obtain the related benefit. The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

IFRS 15 also requires consistent notes as a result of which the users of financial statements are provided the comprehensive information on the nature, amount, timing and uncertainty of cash flows caused by customer contracts.

IFRS 15 applies to an annual reporting period beginning on 1 January 2018. The group management has assessed the impact of the standard on consolidated financial statements and according to current information the application of the standard has no material impact on the accumulation of Group income or earnings. Further, the implementation of the new standard will not cause any significant in the Group's balance sheet. Asiakastieto Group applies a retrospective approach adapted in connection with the implementation of the new standard and applies the IFRS 15 requirements only to contracts open on 1 January 2018 and presents these as they had been recognised according to IFRS 15 since the beginning of contact period. The cumulative effect of initiating the application is recognised as an adjustment to the opening balance of retained earnings at the time of application and no adjustments are made to the comparative year.

IFRS 16 *Leases* establishes principles for the recognition, measurement, presentation and disclosure of leases and note requirements. Based on the standard all leases are processed the same way so that the lessee books the assets and debts of all leases, unless the lease agreement is 12 months or less, or the lease agreement has low value. A lessor shall allocate lease agreements to financial leasings and other lease agreements. The financial statement process for the lessor's lease agreement according to IFRS 16 is essentially unchanged compared to current standards. The adoption of the new standard will impact how lease agreements are presented in group financial statement and transfers off-balance sheet items to balance sheet, which increases the fixed assets and liabilities. Group management is in progress of assessing the impact of the standard to consolidated financial statements and plans to apply the standard from the inception date 1 January 2019.

Asiakastieto Group is currently analysing the effects, if any, of applying the new standards. There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on Asiakastieto Group.

## 2.2 Consolidation

### *Subsidiaries*

Subsidiaries are all such entities over which Asiakastieto Group has control. Asiakastieto Group controls an entity when it is exposed to, or has rights to, variable returns from its



involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to Asiakastiето Group. They are deconsolidated from the date that the control ceases.

Inter-company transactions, receivables and liabilities as well as unrealised gains and losses on transactions between group companies are eliminated. When needed, the financial statements by subsidiaries have been adjusted to conform to the Group's accounting policies.

#### *Acquired businesses*

Acquired subsidiaries have been consolidated into the Group's accounts from the date which the Group has acquired the control and correspondingly the divested functions are included until the termination of control. The mutual owning of shares of the group companies is eliminated by past-equity method. The surrendered consideration, including the conditional acquisition price and the identifiable assets and liabilities are valued to the fair value at the moment of acquisition. Purchase related expenses are recognized as an expense.

Further information for business combinations of Asiakastiето Group is disclosed under 2.4 Goodwill and intangible assets.

#### *Joint operations*

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Asiakastiето Group accounts for its interest of the assets, liabilities, revenues and expenses related to a joint operation in accordance with IFRS applicable for the particular item. Transactions with joint operations are recognised in the consolidated financial statements only to the extent of other parties' interest in the joint operation.

### **2.3 Segment reporting**

The Group constitutes a single operating segment, which is consistent with the way internal reporting is provided to the chief operating decision-maker and the way chief oper-

ating decision-maker determines allocation of resources and assessment of performance.

The Board of Directors has been determined as the chief operating decision-maker. The Board, given its composition, active involvement and participation in making key strategic and operative decision is responsible for allocating resources and assessing performance.

### **2.4 Goodwill and intangible assets**

Intangible assets comprise goodwill and other intangible assets. Other intangible assets consist primarily of capitalised development costs related to new products and services, off the shelf software and intangible assets recognised separately from goodwill in connection with the company acquisitions.

#### *Goodwill*

Goodwill recorded at the consolidated financial statements of the Group arose from the acquisition of Asiakastiето Group business by the Group in 2008, purchase of share capital of Intellia Oy in 2016 and purchase of share capital of Emaileri Oy in 2017. For internal monitoring and impairment testing purposes, goodwill is followed at the group level. This also reflects the way the acquirer expected to realise the benefits of the acquisition.

Goodwill impairment review is undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the cash generating unit is compared to the recoverable amount, which is the higher of the value in use and the fair value less costs of disposal of the related cash generating unit.

#### *Other intangible assets*

Other intangible assets are initially recognised in the balance sheet at historical cost if the cost can be measured reliably and it is probable that future economic benefits associated with the asset will flow to Asiakastiето Group.

Other intangible assets acquired in connection with company acquisitions are recognised separate from goodwill if they meet a definition of intangible asset and are separable or are based on agreements or legal rights. Intangible assets recognised in connection with company acquisitions consist, among others, of the value of customer agreements and related customer relations as well as the value of acquired IT systems and databases. The value of customer agreements and customer relations is defined by the assumed length of customer relationship and on the basis of cash flows assessed.

Amortisations are calculated along straight-line method over their useful economic lives. The applied useful economic lives are:

Capitalised development costs .....	5 years
Off the shelf software .....	3–5 years
Customer and contract portfolios .....	5–8 years
IT systems and databases .....	5–7 years
Trademarks .....	10 years

The assets' residual values and useful lives and amortisation method are reviewed at minimum at the end of each reporting period and adjusted, if appropriate, to reflect changes in the expected economic benefits. The amortisation of intangible assets is commenced when the asset is ready for its intended use.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of impairment testing, assets are allocated to the Group's single cash-generating unit. Prior impairments of tangible and intangible assets (other than goodwill) are reviewed for possible reversal at each reporting date.

#### *Capitalised development and software costs*

Costs associated with maintaining current products and services are recognised as an expense as incurred. Development costs of new products and services that are directly attributable to building and testing of new products and services controlled by Asiakastieto Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the new product and service so that it will be available for use;
- the management intends to complete the new product and service and use or sell it;
- there is an ability to use or sell the new product and service;
- it can be demonstrated how the new product and service will generate probable future economic benefits;

- adequate technical, financial and other resources to complete the development and to use or sell the new product and service are available; and
- the expenditure attributable to the new product and service during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. New service development costs recognised as assets are amortised over their estimated useful lives, which does not exceed five years.

#### **2.5 Property, plant and equipment**

Property, plant and equipment comprise buildings, machinery and equipment, other tangible assets and advances paid.

Buildings comprise the office building. Buildings are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Other tangible assets comprise mainly capitalised modernisation and renovation expenses of office premises. Other tangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. The Group sold its shares in office premises in May 2016. In connection with the sales transaction also capitalized modernisation and renovation of office premises sold, included in other tangible assets were recognised off from the balance sheet.

Machinery and equipment comprise mainly IT, office machines and equipment as well as company cars. Machinery and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on tangible assets is calculated using the straight-line method to allocate their cost amounts to their residual values over their estimated useful lives, as follows:

Buildings .....	20 years
Machinery and equipment .....	3–8 years
Capitalised modernisation and renovation expenses of office premises .....	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "Other operating income" or "Other operating expenses" in the income statement.

## 2.6 Financial assets

The Group classifies its financial assets in the following categories: loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The management determines the classification of financial assets at initial recognition.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period in which case they are classified as non-current assets. Group's loans and receivables comprise account and other receivables, loans to related parties and cash and cash equivalents in the balance sheet.

### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives and they are non-current assets unless the investment matures or the management intends to dispose of it within 12 months from the end of the reporting period. The group's available-for-sale financial assets include investments in unquoted equity securities.

### *Recognition and measurement*

Regular purchases and sales of financial assets are recognised on settlement date. Investments are initially recognised at fair value plus transaction costs for all financial assets.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequent-

ly carried at cost because its fair value cannot be reliably measured. Loans and other receivables are subsequently carried at amortised cost.

## 2.7 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. Account receivables are the largest group of financial assets. Impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of account receivables that can be reliably estimated.

Evidence of impairment may include indications that the debtor is experiencing default or delinquency in invoice payments, the probability that they will enter bankruptcy or increased likelihood that the Group is not able to collect the outstanding amount.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

## 2.8 Account receivables

Account receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Account receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

## 2.9 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand and bank accounts with banks

## 2.10 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value, net of transaction costs incurred. Interest-bearing liabilities are subsequently carried at amortised cost. Any dif-

ference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the interest-bearing liabilities using the effective interest method. The Group also has unused credit facilities and recognises the related fees in the income statement on a straight-line basis. A financial liability is derecognised when the Group either discharges the liability (or part of it) by paying the creditor or is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor.

### 2.11 Account payables

Account payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Account payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Account payables are recognised initially at fair value and subsequently measured at amortised cost.

### 2.12 Interest income

The Group earns interest mainly from overdue interest from account receivables. Interest income is recognised when they occur.

### 2.13 Share capital

Ordinary shares are classified as equity.

### 2.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement.

The current income tax charge is calculated on the basis of the Finnish tax laws enacted or substantively enacted at the balance sheet date. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities and assets when expected to receive tax returns.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enact-

ed or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax liabilities are recognised in full for all taxable temporary differences, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by Asiakastieto Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized and up to the amount of the deferred tax liabilities.

Deferred tax assets arising from past losses above the amount of deferred tax liabilities are recognised if convincing evidence exists that the Group will be able utilise the tax losses carried forward.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

### 2.15 Employee benefits

The Group's pension schemes have been classified as defined contribution plans. For defined contribution plans, Asiakastieto Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. Asiakastieto Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### 2.16 Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A

provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

### 2.17 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold and for services rendered, stated net of discounts and value added taxes. The Group's revenue is generated from the sale of a number of online inquiry-based services related to company and personal information, sales and marketing services, sale of publications, certificates and analysis as well as services related to long-term service development projects. Asiakastieto Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when risks and rewards have passed to the customer as described below.

Inquiry-based services, license and implementation fees as well as the sale of certificates, analyses and CD-ROMs are recognised upon delivery.

Revenues in respect of services to be provided by an indeterminate number of acts over a specified period of time, such as access right fees and sale of publications, are recognised on a straight-line basis over those periods. The access right fees exist in all product areas of the Group. The sale of publications is part of the Business information product area.

For the sales of long-term service development projects, revenue is recognised in the period in which the services are rendered, by reference to stage of completion of the specific transaction and assessed on the basis of the actual service provided as a proportion of the total services to be provided. Under the Business information and Customer information product areas of the Group, there are long-term service development projects from which revenue is recognised with percentage-of-completion method.

### 2.18 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease. Asiakastieto Group leases certain office equipment, and these leases are classified as operating leases. The group has rented its office premises from March 2016 onwards. These leases are presented in non-cancellable leases.

### 2.19 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

### 2.20 Operating profit (EBIT)

IAS Standard 1 Presentation of Financial Statements does not define operating profit. The Group has defined the concept as follows: operating profit is the net total which is formed when other operating income is added to net sales and the following items are deducted: the cost of materials and services, personnel expenses, other operating expenses, the cost adjustment of work performed by the entity and capitalised, depreciation, amortisation and potential impairment loss. All other items of the income statement are presented below the operating profit line.

## 3 Critical accounting estimates and judgements

The management of Asiakastieto Group makes estimates and assumptions concerning the future as well as exercises judgement in applying the accounting principles when preparing financial statements. Estimates and judgements are continually evaluated and they are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### 3.1 Segment reporting and goodwill allocation

The management of Asiakastieto Group has used judgement when determining operating segments and allocating goodwill for impairment testing purposes. Areas requiring judgement in applying the requirements of IFRS 8 Operating segments, and IAS 36, Impairment of assets, have been the decisions made and reports used when managing the

Group and the expected synergy benefits. Applying the judgement, the management of Asiakastiето Group has determined that the Group has a single operating segment and goodwill is allocated to the same level for goodwill impairment testing purposes.

### 3.2 Assumptions used for impairment testing of goodwill

The Group's goodwill amounted to EUR 118 411 thousand (EUR 113 872 thousand) as at 31 December 2017. Asiakastiето Group tests the carrying value of goodwill annually or more frequently if events or changes in circumstances indicate that such carrying value may not be recoverable. For the purpose of impairment testing, goodwill is allocated to the Group's single cash-generating unit. The recoverable amount of the Group's single cash-generating unit has been determined based on value-in-use calculations which require the use of estimates including projected future cash flows, estimates of discount rate and development of Finnish economy. See also note 15.

### 3.3 Share-based payments

Asiakastiето Group makes judgments on whether an arrangement or a transaction contains share-based payments in the scope of IFRS 2. Further judgment is required, on classification (cash or equity settled or arrangement with settlement alternatives) and measurement of the arrangement. The measurement also requires estimation of the grant date fair values of benefit given. Key assumptions used in the fair value model relate to the level of EBITDA multiplier and the future development of EBITDA and cash flows.

In March 2015, the Board of Directors of the Company established a long-term incentive plan for the management of the Group. The plan is based on the Group's management making individual investments in Asiakastiето Group Plc's shares and the opportunity for the Group's management to be awarded further shares on the basis of meeting long-term performance criteria and a commitment to the company. In order to participate in the plans and receive an award from the plans, the members of the Group's management acquired, in the personnel offering, the number of shares determined by the Board of Directors. The long-term incentive plan contains two elements: a performance based share plan and a matching share plan. Any awards shall be paid partly in shares and partly in cash. The awards to be paid out through the performance based share plan and the matching share plan, correspond to the value of 108 000 shares at a maximum including also the cash proportion and with the assumption that the criteria for the performance based share plan are achieved to its maximum.

In June 2016 the Board of Directors of the Company resolved to continue the key employee performance share plan as resolved by the Board in March 2015. Should the targets of the plan resolved in June be attained in full, the payable rewards will correspond to a maximum total of 72 000 shares, including also the cash proportion.

Long-term incentive plan to the management is in the scope of IFRS 2. For the financial year an accrued expense EUR 464 thousand (EUR 328 thousand) has been recognised in personnel expenses. See also note 26.

### 3.4 Capitalised development expenses

Costs incurred in the development phase of an internal project are capitalised as intangible assets if a number of criteria are met. The management has made judgements and assumptions when assessing whether a project meets these criteria, and on measuring the costs and the economic life as well as the future cash inflows generated by the development projects. Expected returns from capitalised development projects involve estimates and judgement from the management about the future net sales and related costs. These estimates involve risks and uncertainties and it is possible that, following changes in circumstances, expected returns from capitalised development projects change.

Asiakastiето Group assesses indications of impairment for capitalised development projects. The value for capitalised development projects may decrease, if the expected returns from new services change. See also note 15.

### 3.5 Recoverability of deferred tax assets

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised on the balance sheet. Deferred tax assets are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits. Assumptions about the generation of future taxable profits depend on the management's estimates of future cash flows. Estimates of these future cash flows are dependent on the management's estimates that relate among others to the amount of future net sales, operating costs and finance costs. The Group's ability to generate taxable income depends also on factors related to general economy, finance, competitiveness and regulations beyond the Group's control. These estimates and assumptions are subject to risk and uncertainty, hence it is possible that changes in circumstances will alter expectations. This may impact the amount of deferred tax assets and deferred tax liabilities recognised on the bal-

ance sheet and the amount of temporary differences. Deferred tax assets that comprise mainly non-deductible net interest expenses that can be deducted from the following years' taxable income, amounted to EUR 1 647 thousand (EUR 2 973 thousand) at 31 December 2017. See also note 23.

## 4 Financial risk management

### 4.1 Financial risk factors

Asiakastieto Group's activities expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by the Group's finance function under policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as, interest rate risk, use of derivative financial instruments, and investment of excess liquidity.

#### 4.1.1 Market risk

##### *Cash flow and fair value interest rate risk*

Asiakastieto Group's interest rate risk arises from long-term interest-bearing liabilities. Interest-bearing liabilities issued at variable interest rates expose the Group's cash flow to interest rate risk. Interest-bearing liabilities issued at fixed interest rates expose the Group to fair value interest rate risk. During years 2017 and 2016, all of the Group's interest-bearing liabilities were issued with variable interest rates and denominated in the euro. See also note 21 Interest-bearing liabilities.

At 31 December 2017, if interest rates on interest-bearing liabilities had been 50 basis points higher with all other variables held constant, profit before tax for the year would have been EUR 355 thousand (EUR 356 thousand) lower as a result of higher interest expense on variable interest rate interest-bearing liabilities. Interest rate sensitivity has been calculated by increasing the interest curve by 50 basis points (due to low market interest environment the lower scenario has not been presented). The interest position includes all external variable interest rate interest-bearing liabilities.

#### 4.1.2 Credit risk

Credit risk is managed in the Group's finance function which is responsible for preparing the credit policy complied in Asiakastieto Group. The Group assesses the creditworthiness of a new customer, taking into account mainly its financial position and past experience. When the credit risk is assessed high, a guarantee payment is requested. The amount of guarantee payments received was immaterial for the periods presented. The Group's client base is widespread hence there are no large concentrations of credit risk. Majority of the clients are companies and the amount of consumers is in minority.

Credit risk arises from cash in hand and at banks and short-term deposits with banks and financial institutions (together cash and cash equivalents), as well as credit exposures to customers from outstanding receivables. The Group holds excess cash (bank accounts and short-term deposits) with financial institutions whose credit rating is minimum 'A'. The Group's outstanding receivables are not exposed to significant credit risk. See also note 18 Account and other receivables.

#### 4.1.3 Liquidity risk

Cash flow forecasting is performed on group basis. The Group finance function monitors Asiakastieto Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed loan facilities at all times so that the Group does not breach loan limits or covenants on any of its loan facilities. At 31 December 2017 the Group has undrawn interest-bearing facilities of EUR 5 000 thousand (EUR 5 000 thousand). The net debt position of the Group is considered in the forecasts.

Asiakastieto Group has arranged term loan and credit facility agreement with Danske Bank Plc and Pohjola Pankki Plc for the total value of EUR 75,0 million. The arrangement consists of EUR 70 million term loan and EUR 5,0 million revolving credit facility which includes EUR 0,5 million bank account overdraft. See more information on note 21 Interest-bearing liabilities.

The loan from a financial institution includes a financial covenant that is net debt to EBITDA, calculated as defined under the financing agreement. The covenants are monitored on a quarterly basis. The net debt to EBITDA, which is adjusted as defined under the financing agreement, was 2,1 (2,2) as at 31 December 2017. According to the financing agreement, the covenant limit was 3,5 (4,0) during the financial year 2017 and remains unchanged in the financial year 2018.

Surplus cash is invested in bank accounts or short term deposits with appropriate maturities providing sufficient liquidity. The Group has not made investments in short term deposits in 2017 or 2016.

The table below shows future repayments, interest expenses and capitalised interest expenses of the Group's financial liabilities divided into maturity groupings based on the remaining contractual maturity at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

### 31.12.2017

EUR thousand	Under 1 year	1-2 years	2-5 years	Total
Loans from financial institutions	958	70 869	-	71 827
Account payables	2 032	-	-	2 032
<b>Total</b>	<b>2 990</b>	<b>70 869</b>	<b>-</b>	<b>73 859</b>

### 31.12.2016

EUR thousand	Under 1 year	1-2 years	2-5 years	Total
Loans from financial institutions	958	958	70 869	72 785
Account payables	1 601	-	-	1 601
<b>Total</b>	<b>2 559</b>	<b>958</b>	<b>70 869</b>	<b>74 386</b>

## 4.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns and increase in value of invested capital for shareholders.

The most important ratio that the Group monitors is net debt position. Net debt is calculated as loans from financial institutions (included in 'current and non-current interest-bearing liabilities') less short-term deposits and cash in hand and at banks. The management does not have a target level for net debt but follows it regularly.

The table below shows the net debt position at reporting date.

EUR thousand	31.12.2017	31.12.2016
Loans from financial institutions	70 000	70 000
Short-term deposits	-	-
Cash in hand and banks	18 919	22 632
<b>Net debt</b>	<b>51 081</b>	<b>47 368</b>

## 5 Acquisitions and disposals

### Purchase of shares of Emaileri Oy

Asiakastieto Group Plc acquired the entire capital stock of Emaileri Oy, a provider of services in electronic communications and marketing established on 30 September 2017 through a division from Websonic Oy, with an agreement signed on 28 September 2017. The transaction entered into force on 1 October 2017. The transaction price was EUR 6,5 million. EUR 0,4 million of the total transaction price will be paid as post transaction price 1 October 2018 and EUR 0,3 million of the total transaction price as post transaction price 1 October 2019.

Emaileri Oy offers an advanced service platform for email marketing and electronic newsletter communications. With this share deal Asiakastieto Group continued the development of its sales and marketing services and strengthened its growing Customer Management product area. For the period following the acquisition of Emaileri Oy, the consolidated income statement includes EUR 0,4 million net sales and EUR 0,2 million profit for the year.

Based on the purchase price allocation calculation EUR 2,0 million were allocated to customer base, which will be depreciated in 8 years, and EUR 0,4 million to IT systems, which will be depreciated in 5 years. The acquisition generated goodwill of EUR 4,5 million. Goodwill is not deductible in taxation.

Goodwill recognised in connection with the acquisition consists of synergies focused on customer relations of the acquired subject and the acquiring party, technology and cost structure, future income based on the knowhow of the subject and new technologies based on existing technologies, future income expected from new customer relations, and knowhow and abilities of the personnel of the subject of acquisitions.

Emaileri Oy was consolidated to Group accounts from 1 October 2017. The Group and Emaileri Oy had no substantial business transactions, which should have been taken into account in relation to the transaction.

### Consideration transferred

EUR thousand	
Cash paid	5 837
Post transaction price	650
<b>Total cost of acquisition</b>	<b>6 487</b>



**Net assets acquired****EUR thousand**

Customer relations	2 027
IT systems	405
Tangible assets	16
Account and other receivables	7
Cash and cash equivalents	65
Deferred tax liabilities	-486
Advances received	-64
Account payables and other liabilities	-21
	<b>1 948</b>

**Effects of acquisition on cash flow****EUR thousand**

Purchase price paid in cash	-6 487
Cash and cash equivalents of the acquired entity	65
	<b>-6 422</b>

**Goodwill arising from business combination****EUR thousand**

Consideration transferred	6 487
Net assets acquired	1 948
<b>Goodwill</b>	<b>4 539</b>

Transaction expenses of EUR 0,1 million relating to the acquisition of Emaileri Oy shares, have been booked in March - September 2017 in the line of the group's profit and loss statement "other operating expenses". The expenses are mainly linked with expert fees for the purchase of the shares and transaction. The purchase of the shares caused EUR 0,1 million transfer tax fee, which has been booked to other operating expenses in October 2017.

**Asset deal**

Asiakastieto Group outsourced by asset deal functions related to financial statements information and financial statements analysis to BSH Partners Oy from 1 January 2017. The change concerned 12 employees and it has no major financial impact.

**Purchase of shares of Intellia Oy**

Asiakastieto Group Plc acquired all shares of Intellia Oy, a company offering sales and marketing services. The agreement was signed on 30 August 2016 and on 1 October 2016 the transaction entered into force. The transaction price was EUR 3,3 million. A post transaction price of EUR 0,2 million was paid on 1 October 2017. The acquisition had no essential impact on the Group's business activities or key ratios.

Based on the purchase price allocation calculation EUR 0,4 million were allocated to customer base, which will be amortised in 5 years, and EUR 1,0 million to IT systems and database, which will be amortised in 7 years. The acquisition generated goodwill of EUR 2,5 million. The expert fees and the transfer tax expense relating to the purchase of Intellia, total EUR 0,2 million, have been recognized in expenses in the financial year 2016.

Intellia Oy was consolidated to the Group accounts from 1 October 2016 and was merged to its sister company Suomen Asiakastieto Oy on 31 March 2017. Intellia Oy was dissolved without liquidation procedure and its assets and liabilities were transferred to Suomen Asiakastieto Oy. The merger was implemented according to the merger plan dated on 28 October 2016 gratuitously.

**Investment to startup survey company**

Asiakastieto Group signed a contract on 11 February 2016 and made an investment in the start-up company Hupparihörhö Oy. Hupparihörhö Oy develops collection and utilizing methods of unstructured information. After the investment the companies entered into business cooperation.

**Sale of Helsingin Yrittäjätalo Oy shares**

Suomen Asiakastieto Oy signed in December 2015 a sales agreement of the shares in its current office premises. The sale of 24 % ownership in Helsingin Yrittäjätalo Oy was conclusively completed in May 2016. A non-recurring profit on the sale of shares of office premises was EUR 1,1 million.

## 6 Net sales

### Net sales by market area

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Finland	52 478	46 901
Other EU countries	1 674	1 336
Other countries	2 049	942
<b>Total</b>	<b>56 201</b>	<b>49 178</b>

### Net sales by products and services

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Business Information	31 141	30 190
Consumer Information	15 596	12 711
Customer Management	5 176	3 145
Real Estate and Collateral Information	4 288	3 133
<b>Total</b>	<b>56 201</b>	<b>49 178</b>

At the beginning of 2017, the product area of Certificates and Analyses was incorporated into Business Information, based on the decision of the Board of Directors on 19 October 2016. In addition, a new product area Real Estate and Collateral Information Services was established, which focuses on real estate information, collateral management services and housing company data services. In the same instance, a part of the products and services of Customer Management product area were transferred under Business Information and Consumer Information product areas. The corresponding figures from the financial year 2016 have been calculated applying the same breakdown.

Revenues of approximately EUR 4 257 thousand (EUR 4 358 thousand) are derived from a single external customer.

Net sales for the financial year 2017 included EUR 421 thousand (EUR 454 thousand) revenue from long-term service development projects which is recognised under percentage-of-completion method.

## 7 Other operating income

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Capital gains from the sale of property, plant and equipment	168	22
Profit on the sale of shares of office premises	-	1 106
Grants	18	3
Other operating income	21	19
<b>Total</b>	<b>208</b>	<b>1 150</b>

## 8 Materials and services

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Purchases during the financial year	-10 024	-8 244
External services	-1 940	-956
<b>Total</b>	<b>-11 963</b>	<b>-9 200</b>

## 9 Personnel expenses

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Salaries and benefits <sup>1</sup>	-10 445	-9 845
Pension costs - defined contribution plans	-1 821	-1 768
Social security costs	-369	-479
<b>Total</b>	<b>-12 635</b>	<b>-12 091</b>

<sup>1</sup> For the financial year 2017 the personnel expenses include an accrued cost of EUR 464 thousand from the management's long-term incentive plan and for the financial year 2016 EUR 328 thousand.

### Salaries and benefits of the management

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Salaries and benefits	-1 853	-1 176
Pension costs - defined contribution plans	-9	-9
<b>Total</b>	<b>-1 862</b>	<b>-1 184</b>

Specification of salaries and benefits to the management is included in note 26.

### Number of personnel on average

Employees	1.1.–31.12.2017	1.1.–31.12.2016
Full-time	148	146
Part-time and temporary	5	13
<b>Total</b>	<b>153</b>	<b>159</b>

Asiakastieto Group outsourced by asset deal functions related to financial statements information and financial statements analysis to BSH Partners Oy from 1 January 2017. The change concerned 12 employees and it has no major financial impact.

## 10 Other operating expenses

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Other employment expenses	-710	-608
Expenses related to premises	-844	-776
Marketing expenses	-720	-600
Paid commissions on sales	-1 090	-1 087
Office expenses	-482	-465
IT expenses	-2 322	-1 768
Purchased services	-683	-903
Other expenses	-1 906	-1 663
<b>Total</b>	<b>-8 756</b>	<b>-7 870</b>

### Auditor's fee

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Statutory fees	-78	-77
Tax advisory	-4	-1
Other services	-168	-48
<b>Total</b>	<b>-250</b>	<b>-125</b>

## 11 Depreciation and amortisation

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Amortisation on intangible assets	-2 361	-1 678
Depreciation on property, plant and equipment	-713	-772
<b>Total</b>	<b>-3 074</b>	<b>-2 450</b>

## 12 Finance income and expenses

EUR thousand	1.1.-31.12.2017	1.1.-31.12.2016
Finance income		
Interest income from loan and other receivables	3	7
Other finance income	1	0
<b>Total finance income</b>	<b>4</b>	<b>7</b>
Finance expenses		
Interest expenses from liabilities	-1 048	-1 064
Other finance expenses	-28	-29
<b>Total finance income</b>	<b>-1 076</b>	<b>-1 093</b>
<b>Total</b>	<b>-1 072</b>	<b>-1 086</b>

## 13 Income tax expenses

EUR thousand	1.1.-31.12.2017	1.1.-31.12.2016
Current tax on profits for the financial year	-3 278	-492
Change in deferred taxes	-839	-3 120
<b>Total</b>	<b>-4 117</b>	<b>-3 612</b>

Income taxes recognised in consolidated income statement differ from the income taxes calculated using the Finnish tax rate as follows:

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Result before income tax	20 160	18 927
Tax calculated at Finnish tax rate	-4 032	-3 785
Other:		
Non-deductible expenses	-89	-93
Income not subject to tax	0	263
Tax losses for which deferred income tax asset was not recognised	-0	-0
Other items	4	4
<b>Total</b>	<b>-4 117</b>	<b>3 612</b>

Finland introduced interest deduction limitation rules starting from 1 January 2014 limiting the deductibility of intra-group net interests. Interests from the Parent Company's loans were subject to these interest deductibility limitation rules. EUR 22 268 thousand of the Parent Company's net interest expenses for the financial year 2014 was non-deductible for tax purposes. As a result, the Parent Company generated taxable income against which previously unrecognised tax losses were utilised. This non-deductible net interest from the financial year 2014 is carried forward and can be deducted from the following years' taxable income. Net interest expense carryforwards do not expire.

## 14 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the parent company by the weighted average number of ordinary shares in issue during the year. Diluted earnings per share reflect the possible impact of the Group's management's long-term incentive plan.

	1.1.–31.12.2017	1.1.–31.12.2016
Profit attributable to the owners of the Parent Company (EUR)	16 042 852	15 315 558
Weighted average number of shares (number of shares)	15 102 178	15 102 178
<b>Basic earnings per share</b>	<b>1,06</b>	<b>1,01</b>
Management's incentive plan (number of shares)	64 095	25 167
Number of shares, weighted average diluted	15 166 273	15 127 345
<b>Diluted earnings per share</b>	<b>1,06</b>	<b>1,01</b>

## 15 Intangible assets

EUR thousand	Goodwill	Capitalised development and software costs	Trademarks	Allocations from business combinations	Work in progress and advances paid	Total
Cost at 1.1.2017	113 872	9 075	8	1 353	1 302	125 611
Additions	4 539	132	-	2 432	2 793	9 895
Disposals	-	-863	-3	-	-112	-978
Reclassifications	-	2 990	1	-	-2 991	-
<b>Cost at 31.12.2017</b>	<b>118 411</b>	<b>11 333</b>	<b>7</b>	<b>3 785</b>	<b>992</b>	<b>134 528</b>
Accumulated amortisation at 1.1.2017	-	-3 463	-5	-54	-	-3 522
Disposals	-	848	3	-	-	851
Amortisation for the financial year	-	-2 062	-1	-298	-	-2 361
<b>Accumulated amortisation at 31.12.2017</b>	<b>-</b>	<b>-4 677</b>	<b>-3</b>	<b>-352</b>	<b>-</b>	<b>-5 032</b>
Net book value at 1.1.2017	113 872	5 612	3	1 300	1 302	122 089
<b>Net book value at 31.12.2017</b>	<b>118 411</b>	<b>6 656</b>	<b>4</b>	<b>3 433</b>	<b>992</b>	<b>129 496</b>

EUR thousand	Goodwill	Capitalised development and software costs	Trademarks	Allocations from business combinations	Work in progress and advances paid	Total
Cost at 1.1.2016	111 358	7 733	8	-	1 144	120 243
Additions	2 514	92	1	1 353	3 017	6 977
Disposals	-	-1 579	-1	-	-29	-1 609
Reclassifications	-	2 830	0	-	-2 830	-
<b>Cost at 31.12.2016</b>	<b>113 872</b>	<b>9 075</b>	<b>8</b>	<b>1 353</b>	<b>1 302</b>	<b>125 611</b>
Accumulated amortisation at 1.1.2016	-	-3 418	-5	-	-	-3 424
Disposals	-	1 579	1	-	-	1 580
Amortisation for the financial year	-	-1 624	-1	-54	-	-1 678
<b>Accumulated amortisation at 31.12.2016</b>	<b>-</b>	<b>-3 463</b>	<b>-5</b>	<b>-54</b>	<b>-</b>	<b>-3 522</b>
Net book value at 1.1.2016	111 358	4 314	3	-	1 144	116 819
<b>Net book value at 31.12.2016</b>	<b>113 872</b>	<b>5 612</b>	<b>3</b>	<b>1 300</b>	<b>1 302</b>	<b>122 089</b>

## Allocations from business combinations

EUR thousand	31.12.2017	31.12.2016
Customer and contract database	2 244	355
IT systems and database	1 189	944
<b>total</b>	<b>3 433</b>	<b>1 300</b>

## Impairment test for goodwill

The management reviews the business performance and monitors goodwill at group level. The Group has one cash-generating unit ("CGU"). The recoverable amount of its single CGU has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial estimates approved by the management covering a five-year period.

Key parameters in the projections are the development of net sales and key cost items. The projections have been prepared taking into account the Group's market position, product development opportunities and the general economic environment as well as the Group's actual performance on key parameters affecting the forecasts. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The growth rate beyond the five-year period does not exceed the long-term average growth rate for the Finnish economy.

The key assumptions used for value-in-use calculations are as follows:

	31.12.2017	31.12.2016
Long-term growth rate	1,0 %	1,0 %
Discount rate	7,0 %	4,8 %

The discount rates used are pre-tax and reflect specific risks relating to the CGU. As part of the performance review the management has performed a sensitivity analysis around the key parameters. The results suggest that a situation in which the carrying value of goodwill and other assets under impairment testing would exceed the recoverable value is unlikely.

Changed parameters used in the sensitivity analysis were:

- 10 %-point (10 %-point) decrease in annual net sales growth rate
- 5 %-point (5 %-point) decrease in annual EBITDA margin
- long term growth rate of 0 %
- pre-tax discount rate of 13,2 % (11,9 %)

The sensitivity analysis did not indicate impairment, when the parameters above were changed one at a time, while others remained constant. If all the parameters above would be changed at the same time, the recoverable amount would equal the carrying value for the tested assets.

## 16 Property, plant and equipment

EUR thousand	Buildings	Machinery and equipment	Other tangible assets	Advances paid	Total
Cost at 1.1.2017	-	7 102	2	-	7 104
Additions	-	1 139	-	340	1 479
Disposals	-	-530	-	-	-530
Reclassifications	-	286	-	-286	-
<b>Cost at 31.12.2017</b>	<b>-</b>	<b>7 996</b>	<b>2</b>	<b>54</b>	<b>8 052</b>
Accumulated depreciation at 1.1.2017	-	-5 716	-	-	-5 716
Disposals	-	373	-	-	373
Depreciation for the financial year	-	-711	-2	-	-713
<b>Accumulated depreciation at 31.12.2017</b>	<b>-</b>	<b>-6 054</b>	<b>-2</b>	<b>-</b>	<b>-6 056</b>
Net book value at 1.1.2017	-	1 386	2	-	1 388
<b>Net book value at 31.12.2017</b>	<b>-</b>	<b>1 942</b>	<b>-</b>	<b>54</b>	<b>1 996</b>

EUR thousand	Buildings	Machinery and equipment	Other tangible assets	Advances paid	Total
Cost at 1.1.2016	3 700	6 114	499	745	11 058
Additions	-	330	-	-	330
Disposals	-3 700	-87	-497	-	-4 284
Reclassifications	-	745	-	-745	-
<b>Cost at 31.12.2016</b>	<b>-</b>	<b>7 102</b>	<b>2</b>	<b>-</b>	<b>7 104</b>
Accumulated depreciation at 1.1.2016	-1 409	-5 047	-271	-	-6 727
Disposals	1 440	56	288	-	1 783
Depreciation for the financial year	-31	-725	-17	-	-772
<b>Accumulated depreciation at 31.12.2016</b>	<b>-</b>	<b>-5 716</b>	<b>-</b>	<b>-</b>	<b>-5 716</b>
Net book value at 1.1.2016	2 291	1 067	228	745	4 331
<b>Net book value at 31.12.2016</b>	<b>-</b>	<b>1 386</b>	<b>2</b>	<b>-</b>	<b>1 388</b>



## 17 Financial instruments

### Financial instruments by category

31.12.2017

EUR thousand	Loans and other receivables	Available-for-sale financial assets	Total
<b>Assets as per balance sheet</b>			
Loan and other receivables	68	100	168
Account and other receivables	6 450	-	6 450
Cash and cash equivalents	18 919	-	18 919
<b>Total</b>	<b>25 437</b>	<b>100</b>	<b>25 537</b>

31.12.2017

EUR thousand	Financial liabilities at amortised cost	Total
<b>Liabilities as per balance sheet</b>		
Interest-bearing liabilities	69 775	69 775
Account and other payables	2 499	2 499
<b>Total</b>	<b>72 275</b>	<b>72 275</b>

31.12.2016

EUR thousand	Loans and other receivables	Available-for-sale financial assets	Total
<b>Assets as per balance sheet</b>			
Loan and other receivables	67	100	167
Account and other receivables	5 765	-	5 765
Cash and cash equivalents	22 632	-	22 632
<b>Total</b>	<b>28 464</b>	<b>100</b>	<b>28 564</b>

31.12.2016

EUR thousand	Financial liabilities at amortised cost	Total
<b>Liabilities as per balance sheet</b>		
Interest-bearing liabilities	69 661	69 661
Account and other payables	1 893	1 893
<b>Total</b>	<b>71 555</b>	<b>71 555</b>

## 18 Account and other receivables

EUR thousand	31.12.2017	31.12.2016
Account receivables	6 493	5 801
Prepaid expenses and accrued income	1 173	1 503
Accrued income from long-term service development projects	272	71
<b>Total</b>	<b>7 939</b>	<b>7 375</b>
Impairment of account receivables	-43	-36
<b>Net carrying value</b>	<b>7 896</b>	<b>7 338</b>

The fair values of account and other receivables equal their carrying amount. The maximum exposure to credit risk is the carrying value of each receivable.

As at 31 December 2017, account receivables of EUR 939 thousand (EUR 631 thousand) were past due but not impaired. These relate to a number of individual customers.

The ageing analysis of account receivables is as follows:

EUR thousand	31.12.2017	31.12.2016
Not due	5 511	5 134
Overdue by		
Less than 1 month	880	566
1– 3 months	51	48
3 months or over	8	17
<b>Total</b>	<b>6 450</b>	<b>5 765</b>
Impairment of account receivables	43	36

As at 31 December 2017, account receivables of EUR 43 thousand (EUR 36 thousand) were impaired. The individually impaired receivables relate to sales receivables of a number of independent customers.

The carrying amounts of the Group's account and other receivables are denominated in euro.

## 19 Cash and cash equivalents

EUR thousand	31.12.2017	31.12.2016
Cash at bank and in hand	18 919	22 632
<b>Cash and cash equivalents</b>	<b>18 919</b>	<b>22 632</b>

## 20 Shareholders' equity

The total shareholders' equity consists of the share capital, the invested unrestricted equity reserve and accumulated losses.

### Shares and shareholders

The Parent Company has one share class, and each share has equal right to dividend. Each share carries one vote at the general meeting. All shares issued by the Parent Company are fully paid. The shares have no nominal value.

The total amount of shares was 15 102 178 at 31 December 2017 and 31 December 2016.

In the financial year 2017 and 2016, the share capital of the Company amounted to EUR 80 000.

### Invested unrestricted equity reserve

EUR thousand	
1.1.2016	116 584
Return of capital	-4 229
<b>31.12.2016</b>	<b>112 355</b>
-	-
<b>31.12.2017</b>	<b>112 355</b>

The company paid 12 April 2016 EUR 755 thousand from the invested unrestricted equity reserve as capital return based on the resolution of Annual General Meeting 1 April 2016. The Board of Directors decided on 1 June 2016 based on the authorization of general shareholder's meeting 1 April 2016 to return EUR 0,23 per share from the invested unrestricted equity reserve. The return of capital EUR 3 474 thousand was paid 10 June 2016.

## Accumulated losses

EUR thousand	
1.1.2016	-38 502
Dividend distribution	-10 874
Management's incentive plan	126
Profit for the financial year	15 316
<b>31.12.2016</b>	<b>-33 935</b>
Dividend distribution	-13 592
Management's incentive plan	148
Profit for the financial year	16 043
<b>31.12.2017</b>	<b>-31 336</b>

The acquisition of the personnel shares within the matching share plan entitles the participant to be awarded one additional share for each personnel share within the plan in four years' time, based on certain prerequisites. More information on the management's long term incentive plan on note 26. The accrued expense for the financial year 2017 is EUR 148 thousand (EUR 126 thousand) and has been recognised as increase in equity.

The Company paid dividend EUR 13 592 thousand from the profit of the financial year 2016 on 10 April 2017 based on the resolution of Annual General Meeting 30 March 2017 and EUR 10 874 thousand from the profit of the financial year 2015 on 12 April 2016 based on the resolution of Annual General Meeting 1 April 2016.

## 21 Interest-bearing liabilities

EUR thousand	31.12.2017	31.12.2016
Non-current		
Loans from financial institutions	69 775	69 661
<b>Total non-current interest-bearing liabilities</b>	<b>69 775</b>	<b>69 661</b>
<b>Total interest-bearing liabilities</b>	<b>69 775</b>	<b>69 661</b>

All interest-bearing liabilities are denominated in euros.

### Loans from financial institutions

The Group has entered into a term loan and revolving credit facility agreement with Danske Bank Plc and Pohjola Bank Plc of EUR 75,0 million consisting of a EUR 70,0 million term loan drawn down under the agreement and a EUR 5,0 million revolving credit facility including EUR 0,5 million bank overdraft. The loan from a financial institution matures on 28 November 2019. Both the revolving credit facility and the bank overdraft were unused as at 31 December 2017.

The carrying amounts and the fair value of the non-current interest-bearing liabilities are as follows:

EUR thousand	31.12.2017	31.12.2016
Loans from financial institutions	69 775	69 661
<b>Total non-current interest-bearing liabilities</b>	<b>69 775</b>	<b>69 661</b>

Fair values are determined by discounting the estimated cash flows to be paid at the market rate of the reporting date, and a risk premium. Different conditions of the loans (maturity, subordination, collateral, and interest capitalization) are taken into account. The determined fair values are classified to level 3 in the fair value hierarchy because the rates used in discounting are not based on observable data as the Group management uses its own estimates when determining risk premium, among other things.

The Group's management has determined that there is no essential difference between carrying value and fair value because there have not been significant changes in interest rates since the issue date of the loans and margins of loans are considered to reflect different conditions and the subordination of the loans with reasonable accuracy.

### 22 Other non-current liabilities

EUR thousand	2017	2016
Other liabilities	250	-
Accrued expenses	402	278
<b>Total</b>	<b>652</b>	<b>278</b>

Accrued expenses consist of an accrued expense related to the long-term incentive plan to the management.

### 23 Deferred tax assets and liabilities

The gross movement on the deferred income tax account is as follows:

EUR thousand	2017	2016
At 1 January	2 973	6 255
Charged to balance sheet	-486	-162
Charged to income statement	-839	-3 120
<b>At 31 December</b>	<b>1 647</b>	<b>2 973</b>

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of tax balances, is as follows:

#### Deferred tax assets

EUR thousand	Financial instruments	Tax loss carryforwards and other temporary differences	Other	Total
At 1 January 2016	89	6 329	54	6 472
Charged to income statement	-23	-3 207	62	-3 169
<b>At 31 December 2016</b>	<b>66</b>	<b>3 121</b>	<b>116</b>	<b>3 303</b>
Charged to income statement	-23	-879	72	-830
<b>At 31 December 2017</b>	<b>44</b>	<b>2 243</b>	<b>187</b>	<b>2 474</b>

#### Deferred tax liabilities

EUR thousand	Financial instruments	Change in depreciation and amortisation method	Allocations of the acquisition	Other	Total
At 1 January 2016	90	127	-	-	217
Charged to balance sheet	-	-	162	-	162
Charged to income statement	-22	-37	-7	17	-48
<b>At 31 December 2016</b>	<b>68</b>	<b>90</b>	<b>155</b>	<b>17</b>	<b>330</b>
Charged to balance sheet	-	-	486	-	486
Charged to income statement	-23	-17	-44	94	10
<b>At 31 December 2017</b>	<b>45</b>	<b>73</b>	<b>597</b>	<b>111</b>	<b>826</b>

Deferred income tax assets are recognised for tax loss carryforwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. Deferred tax assets arising from past losses are recognised if convincing evidence exists that the Group will be able to utilise the tax losses carried forward.

The Group had recorded EUR 2 429 thousand deferred tax assets as at 31 December 2015 from losses amounting to EUR 12 144 thousand. Tax losses recorded at the end of the financial year 2015 have been utilized fully in the financial year 2016 so the deferred

tax assets from losses is no longer recognised in balance sheet at 31 December 2016.

In addition, the Group has recognised deferred tax asset amounting to EUR 2 243 thousand (EUR 3 121 thousand) from non-deductible net interest expense, that amounted to EUR 11 214 thousand (EUR 15 607 thousand) as at 31 December 2017. Non-deductible net interest expense can be deducted from the taxable income in the future periods within the limits of interest deduction limitation rules. Net interest expense carryforwards do not expire.

## 24 Other current liabilities

EUR thousand	31.12.2017	31.12.2016
Advances received from unrecognised net sales	1 072	1 057
Advances received from long-term service development projects	286	204
<b>Total</b>	<b>1 358</b>	<b>1 261</b>

EUR thousand	31.12.2017	31.12.2016
Account payables	2 032	1 601
Other liabilities	1 986	1 885
Accrued expenses	3 416	3 400
<b>Total</b>	<b>7 434</b>	<b>6 886</b>

Accrued expenses include an accrued expense to be paid in 2018, EUR 192 thousand, related to the long-term incentive plan to the management, otherwise accrued expenses mainly consist of personnel cost related accruals.

## 25 Contingent liabilities

### Guarantees given

The Parent Company of the Group and its subsidiary, Suomen Asiakastieto Oy, have guaranteed EUR 70 000 thousand of loans from financial institutions and EUR 5 000 thousand of undrawn facilities on behalf of each other.

### Minimum rents based on non-cancellable lease

EUR thousand	31.12.2017	31.12.2016
No later than 1 year	720	470
Later than 1 year and no later than 5 years	3 880	2 958
Later than 5 years	3 000	4 611
<b>Total</b>	<b>7 600</b>	<b>8 040</b>

### Operating lease commitments

EUR thousand	31.12.2017	31.12.2016
Due within the next financial year	25	7
Due later	58	8
<b>Total</b>	<b>83</b>	<b>14</b>

Asiakastieto Group rented its old premises from March 2016 onwards for about two years. In December 2017 it moved as a tenant to newly built premises, the rental agreement of which started on 1 January 2018 and lasts for the maximum of 10 years. The rental agreement can be terminated for the first time 31 December 2027, compliant with a 12-month notice period. The income statement includes these rental expenses of EUR 464 thousand (EUR 467) settled on the basis of the non-cancellable leases.

The Group's leases of office equipment are processed as other rental agreements.

## 26 Related parties

Related parties of the Group consist of group entities, shareholders using control or substantial control that are mentioned on note 27. In addition, the key management persons, including the Board of Directors, CEO and executive team are related parties of the Group, as well as their close family members and companies, where above mentioned persons exercise controlling power.

The following transactions were carried out with related parties:

### 1.1.–31.12.2017

EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Companies influenced by the Management	524	-531	-
<b>Total</b>	<b>524</b>	<b>-531</b>	<b>-</b>

### 31.12.2017

EUR thousand	Receivables	Loans
Companies influenced by the Management	40	8
<b>Total</b>	<b>40</b>	<b>8</b>

### 1.1.–31.12.2016

EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Companies influenced by the Management <sup>1</sup>	395	-457	-
<b>Total</b>	<b>395</b>	<b>-457</b>	<b>-</b>

### 31.12.2016

EUR thousand	Receivables	Loans
Companies controlled by the Management	-	56
Companies influenced by the Management <sup>1</sup>	38	52
<b>Total</b>	<b>38</b>	<b>108</b>

Transactions with related parties were made on an arm's length basis.

### Long-term incentive plan to the management

In March 2015, the Board of Directors of the Company established an incentive plan for the management of the Group. The plan is based on the Group's management making individual investments in Asiakastieto Group Plc's shares and the opportunity for the Group's management to be awarded further shares on the basis of meeting long-term performance criteria and a commitment to the company. In order to participate in the plans and receive an award from the plans, the members of the Group's management acquired, in the personnel offering, the number of shares determined by the Board of Directors. Any shares acquired above the amount of shares determined by the Board of Directors are not entitled to an award. The long-term incentive plan contains two elements: a performance based share plan and a matching share plan.

In general, no award shall be paid if the employment or service contract terminates before the award payment. Any awards shall be paid partly in shares and partly in cash.

<sup>1</sup> The related party sales and purchases from the corresponding financial year 2016 have been changed. The earlier presented purchases of goods and services and loans influenced by the Management were EUR -61 thousand and loans influenced by the Management EUR 1 thousand.

The cash proportion is intended to cover taxes and tax-related costs arising from the award to the participants.

The participants must retain at least 50 per cent of all net shares received on the basis of the plan until the participant's share ownership equals his/her annual gross base salary. Such number of shares must be held as long as the participant's employment or service at Asiakastieto Group continues.

The plan is directed to approximately ten key members of the Group's personnel, including all members of the Executive Team. The awards to be paid out through the performance based share plan and the matching share plan for the year 2015, correspond to the value of 108 000 shares at a maximum including also the cash proportion and with the assumption that the criteria for the performance based share plan are achieved to its maximum.

In June 2016 the Board of Directors of the Company resolved to continue the key employee performance share plan as resolved by the Board of Directors in March 2015. Should the targets of the plan resolved in June be attained in full, the payable rewards will correspond to a maximum total of 72 000 shares, including also the cash proportion.

The long-term incentive plan to the management is in the scope of IFRS 2. For the financial year an accrued expense EUR 464 thousand (EUR 328 thousand) has been recognised in personnel expenses. .

#### Matching Share Plan 2015

In the personnel offering, the members of the Group's management subscribed Personnel Shares, the ownership of which is a prerequisite for participating in the long-term incentive plan. The acquisition of the Personnel Shares within the matching share plan entitles the participant to be awarded one additional share for each Personnel Share within the plan in four years' time, provided that the participant's employment or service at the company continues and the Personnel Shares acquired within the plan are still held by the participant at such time.

#### Performance Based Share Plan 2015

Performance based share plan includes the possibility to be awarded further shares based on set performance criteria. The performance-based award for the period March 2015 – March 2018 shall be based on the total shareholder return calculated on the Asiakastieto

Group Plc's share, adjusted for dividends paid. Any earned award shall be paid out to participants at the end of the vesting period.

#### Performance Based Share Plan 2016

Performance based share plan includes the possibility to be awarded further shares based on set performance criteria. The performance-based award for the period July 2016 – December 2018 shall be based on the total shareholder return calculated on the Asiakastieto Group Plc's share, adjusted for dividends paid. Any earned award shall be paid out to participants in 2019.

#### The remuneration of Board of Directors

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Daniel Lopez-Cruz (member until 1 April 2016)	-	-
Gilbert Kamieniecky (member until 1 April 2016)	-	-
Anni (Anna-Maria) Ronkainen	27	26
Bo Harald	25	28
Petri Carpén	27	28
Patrick Lapveteläinen (member from 1 April 2016)	40	-
Carl-Magnus Månsson (member from 1 April 2016)	27	-
<b>Total</b>	<b>145</b>	<b>82</b>

#### Remuneration of the Executive Team members (excluding the CEO)

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Salaries and benefits	1 068	800
Performance - based incentives paid in cash <sup>1</sup>	360	35
<b>Total</b>	<b>1 428</b>	<b>835</b>

<sup>1</sup>The incentives have been reported on payment basis and paid on the basis of the result for the previous financial year.

## Remuneration of the CEO

EUR thousand	1.1.-31.12.2017	1.1.-31.12.2016
Salaries and benefits	236	224
Performance - based incentives paid in cash <sup>1)</sup>	189	117
Pension costs – defined contribution plans	9	9
<b>Total</b>	<b>433</b>	<b>349</b>

<sup>1)</sup> The incentives have been reported on payment basis and paid on the basis of the result for the previous financial year.

The Group has a supplementary voluntary pension plan for the CEO that is classified as defined contribution plan and has a cost of EUR 8 500 per year. The CEO will receive additional voluntary old age pension between ages 63 and 73.

The termination period for the CEO's employment contract is 6 months. In addition, in case of termination of the employment contract, the CEO is entitled to one-time payment under certain conditions that corresponds to six months' salary.

The CEO's contract of service and the assignment as the CEO of the Company will expire at the end of the month during which the CEO reaches 63 years of age.

## 27 Group companies

The following summarises the subsidiaries and joint operations belonging to the Group as at 31 December 2017. All group companies are related parties of the Group.

Parent company	Nature of activities	Country of incorporation
Asiakastieto Group Oyj	Headquarter activities	Finland

Subsidiaries			Group ownership (%)	Group voting rights (%)
Suomen Asiakastieto Oy	Operative company	Finland	100	100
Emaileri Oy	Operative company	Finland	100	100

Intellia Oy owned by Asiakastieto Group Plc was merged to its subsidiary Suomen Asiakastieto Oy on 31 March 2017 and was dissolved without liquidation procedure.

Suomen Asiakastieto Oy's subsidiaries Omatieto Oy and Suomen Maksutieto Oy were dissolved through a voluntary liquidation procedure on 27 December 2017. The companies did not have any business.

Asiakastieto Group owned 24 % interest in its joint operation, Helsingin Yrittäjätalo Oy until May 2016. Helsingin Yrittäjätalo Oy owns and manages an industrial and office building located in Helsinki. Shareholding in Helsingin Yrittäjätalo Oy provided the shareholder the right of possession to a certain apartment within the building.



## 28 Events after the reporting date

### Change in Asiakastiето Group Executive team

Terhi Kauppi, M.Sc. (Econ), will leave her position as CFO of Asiakastiето Group Oyj. Terhi Kauppi will continue in her duties until 9 May 2018 after which she will pursue new challenges outside Asiakastiето Group. Recruitment of new CFO has been already started and the selection will be communicated separately.



## Parent Company Income Statement (FAS)

EUR	Note	1.1.– 31.12.2017	1.1.– 31.12.2016
<b>Net sales</b>	2	<b>1 539 684,00</b>	<b>1 450 236,00</b>
Other operating income		450,82	-
Personnel expenses	3	-1 502 999,45	-1 449 956,97
Other operating expenses	4	-588 986,48	-626 788,72
<b>Operating loss</b>		<b>-551 851,11</b>	<b>-626 509,69</b>
Finance income and expenses			
Other interest and finance income	5	5 590,89	4 160,01
Interest and other finance expenses	5	-1 075 414,41	-1 093 270,72
Total finance income and expenses		-1 069 823,52	-1 089 110,71
<b>Loss before appropriations and taxes</b>		<b>-1 621 674,63</b>	<b>-1 715 620,40</b>
Appropriations			
Group contributions	6	21 971 792,00	20 120 824,00
Income taxes	7	-4 069 521,01	-3 681 063,49
<b>Profit for the financial year</b>		<b>16 280 596,36</b>	<b>14 724 140,11</b>

## Parent Company Balance Sheet (FAS)

EUR	Note	31.12.2017	31.12.2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	8	175 912 719,57	169 200 574,49
<b>Total non-current assets</b>		<b>175 912 719,57</b>	<b>169 200 574,49</b>
<b>Current assets</b>			
Long-term receivables	9	2 346 221,13	3 338 869,07
Short-term receivables	10	22 381 687,96	21 210 508,46
Cash in hand and at banks		9 595 938,43	5 385 122,49
<b>Total current assets</b>		<b>34 323 847,52</b>	<b>29 934 500,02</b>
<b>Total assets</b>		<b>210 236 567,09</b>	<b>199 135 074,51</b>

EUR	Note	31.12.2017	31.12.2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
Share capital	11	80 000,00	80 000,00
Invested unrestricted equity reserve	11	112 393 642,80	112 393 642,80
Retained profit	11	1 215 231,88	83 051,97
Profit for the financial year		16 280 596,36	14 724 140,11
<b>Total shareholders' equity</b>		<b>129 969 471,04</b>	<b>127 280 834,88</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Loans from financial institutions		70 000 000,00	70 000 000,00
Other liabilities		250 000,00	-
<b>Total non-current liabilities</b>		<b>70 250 000,00</b>	<b>70 000 000,00</b>
<b>Current liabilities</b>			
Accounts payable		33 790,33	18 514,99
Payables to Group companies	12	8 853 400,52	419 307,39
Other liabilities		475 727,22	326 926,63
Deferred income and accrued expenses	12	654 177,98	1 089 490,62
<b>Total current liabilities</b>		<b>10 017 096,05</b>	<b>1 854 239,63</b>
<b>Total liabilities</b>		<b>80 267 096,05</b>	<b>71 854 239,63</b>
<b>Total equity and liabilities</b>		<b>210 236 567,09</b>	<b>199 135 074,51</b>

## Parent Company Statement of Cash Flows (FAS)

EUR	Note	1.1.–31.12.2017	1.1.–31.12.2016
<b>Cash flows used in operating activities</b>			
Loss before appropriations and taxes		-1 621 674,63	-1 715 620,40
Adjustments:			
Finance income and expenses	5	1 069 823,52	1 089 110,71
Cash flows before change in working capital		-551 851,11	-626 509,69
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables		24 471,62	-192 814,57
Increase (+) / decrease (-) in account and other payables		92 842,32	223 765,67
Change in working capital		117 313,94	30 951,10
Interest and other finance expenses paid		-961 318,54	-986 361,38
Interest and other finance income received		9 745,68	5,22
Income taxes paid		-3 687 575,41	-
<b>Net cash used in operating activities</b>		<b>-5 073 685,44</b>	<b>-1 581 914,75</b>
<b>Cash flows used in investing activities</b>			
Loan granted	10	-	-674 000,00
Purchases of other investments	8	-	-101 330,00
Proceeds from repayments of loans	10	674 000,00	-
Acquisition of subsidiary	8	-6 287 145,08	-3 352 237,17
<b>Net cash used in investing activities</b>		<b>-5 613 145,08</b>	<b>-4 127 567,17</b>
<b>Cash flows from financing activities</b>			
Proceeds from non-current loans		8 368 782,66	183 580,06
Group contributions received	6	20 120 824,00	18 617 227,00
Dividend paid and other profit distribution	11	-13 591 960,20	-15 102 178,00
<b>Net cash from financing activities</b>		<b>14 897 646,46</b>	<b>3 698 629,06</b>
<b>Net increase (+) / decrease (-) in cash and cash equivalents</b>		<b>4 210 815,94</b>	<b>-2 010 852,86</b>
Cash and cash equivalents at beginning of the financial year		5 385 122,49	7 395 975,35
<b>Cash and cash equivalents at end of the financial year</b>		<b>9 595 938,43</b>	<b>5 385 122,49</b>

# Notes to the Parent Company Financial Statements

## 1 Accounting principles

Asiakastieto Group Plc is a Finnish limited liability company and the Parent Company of the group named Asiakastieto Group. The Company listed its shares on the main list of Nasdaq Helsinki Ltd on 31 March 2015.

Asiakastieto Group Plc's financial statements have been prepared in accordance with the accounting principles based on the Finnish accounting legislation (FAS).

### 1.1 Valuation principles

#### Financial instruments

The fees paid on draw-down loans and financial instruments hedging the loans have been entered in accrued income. These will be discharged as financial expenses on the basis of time in equal proportions. At the time of loan amortisation the respective share of the remaining fees in the balance sheet will be entered as expenses.

#### Deferred tax assets

Deferred tax assets are calculated on the temporary differences between taxation and the financial statement using the tax rates effective for future years confirmed on the balance sheet date. The balance sheet includes the deferred tax assets at their estimate realisable amount.

### 1.2 Items denominated in foreign currencies

Transactions in foreign currencies are entered at the exchange rates prevailing at the transaction dates. The unsettled balances on foreign currency receivables and liabilities are converted into euros at the rates of exchange prevailing at the end of the financial year.

### 1.3 Cash pooling arrangement

Suomen Asiakastieto Oy's bank account of Danske Bank belongs as a member account to the consolidated bank account of Asiakastieto Group Plc. The positive balance of this member account is shown in the balance sheet item "Payables to Group companies" and the negative balance in the balance sheet item "Receivables from Group companies".

## 2 Net sales

### Net sales by market area

EUR	1.1.–31.12.2017	1.1.–31.12.2016
Finland	1 539 684,00	1 450 236,00
<b>Total</b>	<b>1 539 684,00</b>	<b>1 450 236,00</b>

Net sales consist of management fees from Group companies.

## 3 Personnel expenses

EUR	1.1.–31.12.2017	1.1.–31.12.2016
Salaries and benefits	-1 268 496,65	-1 212 746,25
Pension expenses	-212 431,08	-204 790,68
Other social security expenses	-22 071,72	-32 420,04
<b>Total</b>	<b>-1 502 999,45</b>	<b>-1 449 956,97</b>

The pension provision for the personnel is arranged at Elo Mutual Pension Insurance Company.

### Salaries and benefits of the management

EUR	1.1.–31.12.2017	1.1.–31.12.2016
Board members and CEO	-570 117,84	-422 664,31
<b>Total</b>	<b>-570 117,84</b>	<b>-422 664,31</b>

Specification of salaries and benefits paid to the management is included in note 26 to the consolidated financial statement.

### Number of personnel on average

Employees	1.1.–31.12.2017	1.1.–31.12.2016
Full-time	10	9
<b>Total</b>	<b>10</b>	<b>9</b>

#### 4 Other operating expenses

EUR	1.1.–31.12.2017	1.1.–31.12.2016
Other employment expenses	-80 259,74	-38 469,46
Premises expenses	-2 707,78	-2 473,20
Marketing expenses	-78 911,41	-57 583,13
Office expenses	-10 020,60	-9 329,36
IT expenses	-26 151,75	-14 087,55
Purchased services	-31 849,87	-4 545,57
Group charges	-100 558,99	-92 749,40
Other expenses	-258 526,34	-407 551,05
<b>Total</b>	<b>-588 986,48</b>	<b>-626 788,72</b>

#### Auditor's fee

EUR	1.1.–31.12.2017	1.1.–31.12.2016
Statutory fees	-35 175,15	-34 500,01
Tax advisory	-3 590,00	-810,00
Other services	-113 635,23	-37 517,16
<b>Total</b>	<b>-152 400,38</b>	<b>-72 827,17</b>

#### 5 Finance income and expenses

EUR	1.1.–31.12.2017	1.1.–31.12.2016
Other interest and finance income		
Interest income		
From Group companies	5 539,73	4 154,79
From parties outside the Group	51,16	5,22
<b>Total finance income</b>	<b>5 590,89</b>	<b>4 160,01</b>
Interest expenses and other finance expenses		
Interest expenses		
to parties outside the Group	-932 975,72	-950 140,64
Other finance expenses		
to parties outside the Group	-142 438,69	-143 130,08
<b>Total finance expenses</b>	<b>-1 075 414,41</b>	<b>-1 093 270,72</b>
<b>Total</b>	<b>-1 069 823,52</b>	<b>-1 089 110,71</b>

#### 6 Appropriations

EUR	1.1.–31.12.2017	1.1.–31.12.2016
Group contribution	21 971 792,00	20 120 824,00
<b>Total</b>	<b>21 971 792,00</b>	<b>20 120 824,00</b>

#### 7 Income taxes

EUR	1.1.–31.12.2017	1.1.–31.12.2016
On business operations	-3 190 968,94	-473 768,56
Change in deferred tax asset	-878 552,07	-3 207 294,93
<b>Total</b>	<b>-4 069 521,01</b>	<b>-3 681 063,49</b>

## 8 Investments

EUR	31.12.2017	31.12.2016
Shares in Group companies		
Cost at 1.1.	169 099 244,49	165 522 007,32
Additions	6 712 145,08	3 577 237,17
<b>Cost at 31.12.</b>	<b>175 811 389,57</b>	<b>169 099 244,49</b>
Other shares		
Cost at 1.1.	101 330,00	-
Additions	-	101 330,00
<b>Cost at 31.12.</b>	<b>101 330,00</b>	<b>101 330,00</b>
Net book value at 1.1.	169 200 574,49	165 522 007,32
<b>Net book value at 31.12.</b>	<b>175 912 719,57</b>	<b>169 200 574,49</b>
	<b>Ownership (%)</b>	<b>Ownership (%)</b>
<b>Group companies</b>		
Suomen Asiakastieto Oy, Helsinki	100,00	100,00
Intellia Oy, Helsinki	-	100,00
Emaileri Oy, Turku	100,00	-

All the group companies have been consolidated to the Parent Company's consolidated financial statements. Specification of Group companies is included in note 27 to the consolidated financial statement.

## 9 Long-term receivables

EUR	31.12.2017	31.12.2016
Deferred tax assets		
From non-deductible net interest expenses	2 242 753,37	3 121 305,44
<b>Total deferred tax assets</b>	<b>2 242 753,37</b>	<b>3 121 305,44</b>
Prepaid expenses and accrued income		
Financial expenses periodised	103 467,76	217 563,63
<b>Total prepaid expenses and accrued income</b>	<b>103 467,76</b>	<b>217 563,63</b>
<b>Total</b>	<b>2 346 221,13</b>	<b>3 338 869,07</b>

## 10 Short-term receivables

EUR	31.12.2017	31.12.2016
Receivables from Group companies		
Accounts receivable	70 769,28	226 711,68
Loans receivable	-	674 000,00
Prepaid expenses and accrued income		
Group contribution	21 971 792,00	20 120 824,00
Other	-	4 154,79
<b>Total receivables from Group companies</b>	<b>22 042 561,28</b>	<b>21 025 690,47</b>
Prepaid expenses and accrued income		
Financial expenses periodised	123 164,36	123 164,36
Other periodised expenses	193 614,41	61 653,63
Other	22 347,91	-
<b>Total prepaid expenses and accrued income</b>	<b>339 126,68</b>	<b>184 817,99</b>
<b>Total</b>	<b>22 381 687,96</b>	<b>21 210 508,46</b>



## 11 Shareholders' equity

EUR	31.12.2017	31.12.2016
Share capital at 1.1.	80 000,00	80 000,00
Share capital at 31.12.	80 000,00	80 000,00
<b>Total restricted shareholders' equity</b>	<b>80 000,00</b>	<b>80 000,00</b>
Invested unrestricted equity reserve at 1.1.	112 393 642,80	116 622 252,64
Return of capital	-	-4 228 609,84
Total invested unrestricted equity reserve at 31.12.	112 393 642,80	112 393 642,80
Retained profit at 1.1.	14 807 192,08	10 956 620,13
Distribution of dividend	-13 591 960,20	-10 873 568,16
Total retained profit at 31.12.	1 215 231,88	83 051,97
Profit for the financial year	16 280 596,36	14 724 140,11
<b>Total unrestricted shareholders' equity</b>	<b>129 889 471,04</b>	<b>127 200 834,88</b>
<b>Total shareholders' equity</b>	<b>129 969 471,04</b>	<b>127 280 834,88</b>

### Distributable funds

EUR	31.12.2017	31.12.2016
Invested unrestricted equity reserve	112 393 642,80	112 393 642,80
Retained profit	1 215 231,88	83 051,97
Profit for the financial year	16 280 596,36	14 724 140,11
<b>Total</b>	<b>129 889 471,04</b>	<b>127 200 834,88</b>

## 12 Current liabilities

### Payables to Group companies

EUR	31.12.2017	31.12.2016
Accounts payable	66 732,67	1 422,20
Other liabilities	8 786 667,85	417 885,19
<b>Total</b>	<b>8 853 400,52</b>	<b>419 307,39</b>

### Accrued expenses

EUR	31.12.2017	31.12.2016
Holiday pay liabilities	136 603,65	111 745,96
Other personnel expenses periodisations	450 619,33	434 021,10
Taxes	-	476 768,56
Interest expenses	65 625,00	65 625,00
Other	1 330,00	1 330,00
<b>Total</b>	<b>654 177,98</b>	<b>1 089 490,62</b>

## 13 Contingent liabilities

### Guarantees given and contingent liabilities

EUR	31.12.2017	31.12.2016
Guarantees given on own and Group companies' behalf		
Guarantees	75 000 000,00	75 000 000,00
<b>Total</b>	<b>75 000 000,00</b>	<b>75 000 000,00</b>

### Loans for which the guarantees have been given

EUR	31.12.2017	31.12.2016
Loans from financial institutions	70 000 000,00	70 000 000,00
Revolving facility (drawn amount)	-	-
<b>Total</b>	<b>70 000 000,00</b>	<b>70 000 000,00</b>

## Board's proposal concerning the disposal of profits

Asiakastieto Group Plc's distributable funds as at 31 December 2017 amounted to EUR 129 889 471,04, of which the profit for the financial year was EUR 16 280 596,36. The Board of Directors proposes to the Annual General Meeting convening on 22 March 2018 that funds EUR 0,95 per share, totaling EUR 14 347 069,10 shall be distributed as follows:

	EUR / share	EUR
From the profit of the financial year as dividend	0,95	14 347 069,10
To be retained in unrestricted equity		115 542 401,94
<b>Total</b>		<b>129 889 471,04</b>

After the financial year there are no material changes in the Company's financial position. Company's liquidity is good and based on the Board of Directors' outlook the proposed Distribution of Profits does not threaten the Company's liquidity.



## Signatures of the financial statements

Helsinki, 15 February 2018

Patrick Lapveteläinen  
*Chairman of the Board*

Carl-Magnus Månsson  
*Member of the Board*

Bo Harald  
*Member of the Board*

Petri Carpén  
*Member of the Board*

Anni (Anna-Maria) Ronkainen  
*Member of the Board*

Jukka Ruuska  
*CEO*

## Auditor's note

The report of the audit has been submitted today.

Helsinki, 15 February 2018

PricewaterhouseCoopers Oy  
Authorised Public Accountants

Martin Grandell  
Authorised Public Accountant

# Auditor's report

To the Annual General Meeting of Asiakastieto Group Oyj

## Report on the Audit of the Financial Statements

### Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

### What we have audited

We have audited the financial statements of Asiakastieto Group Oyj (business identity code 2194007-7) for the year ended 31 December 2017. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes.

### Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 10 to the Financial Statements.

## Our Audit Approach

### Overview

- **Overall group materiality:**  
€ 950 thousand, which represents approximately 5 % of profit before tax
- **Audit scope:**  
we performed an audit of the parent company and all affiliates to the parent company.
- **Goodwill:**  
Goodwill in Asiakastieto Group's consolidated statement of financial position was EUR 118 411 thousand which is approximately 74 % of the total assets of EUR 160 320 thousand. We have tested the impairment assessment and assessed the appropriateness of the estimates used by Group's management in their impairment assessment.
- **Turnover:**  
Asiakastieto Group's net sales in the financial year 2017 amounted to EUR 56 201 thousand. There is a risk in revenue recognition that revenue booked to financial statements are fictitious or that revenue recognition has been made incorrectly or in a wrong accounting period whether caused by fraud or error. We have tested revenue recognition principles as well as revenue transactions in order to respond to risks in revenue recognition..

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

#### Overall group materiality

€ 950 thousand (previous year € 870 thousand).

#### How we determined it

Approximately 5 % of profit before tax

#### Rationale for the materiality benchmark applied

We chose profit before tax as the benchmark because it is a generally accepted benchmark. The chosen percentage is within the range of acceptable quantitative materiality thresholds in auditing standards.

### How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The group audit scope included group parent company and all affiliates to parent company.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**Key audit matter in the audit of the group****How our audit addressed the key audit matter****Goodwill** Refer to note 15 of the financial statements

The Group's goodwill amounted to EUR 118 411 thousand as at 31 December 2017 which is approximately 74 % of total assets EUR 160 320 thousand. Goodwill recorded at the consolidated financial statements of the Group arose from the acquisition of Asiakastiето Group business by the Group in 2008 as well as from the acquisition of Intellia Oy in 2016 and Emaileri Oy in 2017. The Group's management uses significant judgement when assessing future estimated cash flows.

For the purpose of impairment testing, the recoverable amount of the Group's single cash-generating unit has been determined based on value-in-use calculations which require the use of estimates. These calculations use cash flow projections based on financial estimates approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates. Key parameters in the projections are the development of net sales and key cost items as well as long-term growth rate and discount rate. Management has performed a sensitivity analysis around the key parameters of the cash generating unit in which the combined effect of changes in the parameters is tested.

We tested the cash flow estimates prepared by the Group's management for years 2018-2022 as well as the determination of the discount rate used. We compared the used cash flow estimates to financial budgets and projections prepared by the management and approved by the board to verify that cash flow estimates used in the assessment are not greater than the financial budget. We compared estimated growth rates used in the cash flow estimates to the Group's historic growth and tested mathematical accuracy of these cash flow estimates. We assessed appropriateness of the discount rate used in the calculations and tested the mathematical accuracy of the discount rate calculations. We tested the mathematical accuracy of the sensitivity analysis related to the goodwill impairment assessment.

**Turnover** Refer to note 6 of the financial statements

Asiakastiето Group's net sales in the financial year 2017 amounted to EUR 56 201 thousand.

The Group's revenue is generated from the sale of services related to company and personal information, sales and marketing services, sale of publications, certificates and analysis as well as services related to long-term service development projects. Asiakastiето Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the entity and when risks and rewards have passed to the customer.

There is a risk in revenue recognition that revenue accounted for in the financial statements are not real or revenue has been recognised in incorrect amount or in incorrect accounting period, whether caused by fraud or error. The Company aims to ensure by its internal processes and controls that revenue recognition in the financial statements is materially correct.

This matter is a significant risk of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014.

We assessed and tested the effectiveness of sales process key controls. We also tested revenue transactions by using computer assisted audit techniques in order to respond to risk of fraud in revenue recognition and to the risk that recognised revenue is not real or has been recognised incorrectly. We also tested that revenue transactions have been accounted for in the correct financial period.

We audited journal entries related to revenue. In addition we have performed analytical procedures to respond to risk of material misstatement in the financial statements.

We have no key audit matters to report with respect to our audit of the parent company financial statements.

### Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine 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, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is 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 good auditing practice 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 in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 parent company's or the group'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 the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group'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 parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on

our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Reporting Requirements

### Appointment

We have been acting as auditors appointed by the annual general meeting since 5.5.2008. Our appointment represents a total period of uninterrupted engagement of 10 years. Authorised Public Accountant (KHT) Martin Grandell has acted as the responsible auditor since 30.3.2017, which represents a total period of uninterrupted engagement of 1 year. Asiakastieto Group Oyj became a public interest entity on 31.3.2015 as a result of the initial public offering.

### Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the

report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 15 February 2018

**PricewaterhouseCoopers Oy**

Authorised Public Accountants

Martin Grandell

Authorised Public Accountant (KHT)



# Corporate Governance Statement 2017

Asiakastieto Group Plc (the “**Company**” or “**Asiakastieto**”) is a Finnish public limited liability company. The shares of the Company are listed on Nasdaq Helsinki Ltd starting from 31 March 2015.

The Company's governance is subject to the Finnish Companies Act, the Finnish Securities Markets Act, the Accounting Act, the rules of Nasdaq Helsinki Ltd as well as the Company's Articles of Association. In addition, Asiakastieto complies with the Finnish Corporate Governance Code issued by the Securities Market Association in 2015 (the “**CG Code**”). The CG Code is available at [www.cgfinland.fi](http://www.cgfinland.fi). Compliance with the CG Code is based on a comply-or-explain principle, whereby deviations from the CG Code shall be explained and disclosed.

This Company's Corporate Governance Statement is published separately from the Board of Directors' report.

## Group structure

The parent company of the Group is Asiakastieto Group Plc, the domicile is Helsinki, Finland. The Group consists of the Parent Company's two wholly-owned subsidiary Suomen Asiakastieto Oy and Emaileri Oy. The Parent Company's owned Intellia Oy was merged to its sister company Suomen Asiakastieto Oy on 31 March 2017. Suomen Asiakastieto's two wholly-owned subsidiaries, Omatieto Oy and Suomen Maksutieto Oy were dissolved through a voluntary liquidation procedure in the year 2017. Acquisition of Emaileri Oy shares entered into force on 1 October 2017.

The Company's governance is organised through the General Meeting, the Board of Directors and the Chief Executive Officer. Further, the Company has an Executive Team led by the Chief Executive Officer.

## General Meeting

The General Meeting is Asiakastieto's highest decision-making body, which normally convenes once a year. Its tasks and procedures are defined in the Finnish Companies' Act and the Company's Articles of Association. Certain important matters, such as amending the Articles of Association, approval of the financial statements, approval of the dividend,

election of the members of the Board of Directors and the auditors fall within the sole jurisdiction of the General Meeting.

The General Meeting is convened by the Board of Directors. The Annual General Meeting shall be held within six (6) months of the end of the financial year. An Extraordinary General Meeting shall be held whenever the Board of Directors deems necessary, the auditor of the Company or shareholders with at least 10 % of the shares so demand in writing in order to deal with a given matter, or if this is otherwise required by law.

The General Meeting handles the matters presented on the agenda by the Board of Directors. According to the Finnish Companies Act, a shareholder may also request that his/her proposal be handled at the next General Meeting. Such a request shall be made in writing to the Company's Board of Directors at the latest on the date specified by the Company on its website. This date shall be published no later than by the end of the financial period preceding the general meeting. The request is always deemed to be on time, if the Board of Directors has been notified of the request no later than four (4) weeks before the delivery of the notice of the General Meeting.

According to the Company's Articles of Association, notices of the General Meetings shall be published on the Company's website no more than three months before the record date pursuant to the Limited Liability Companies Act (eight working days before the General Meeting) and at the latest three weeks before the General Meeting, however, always at least nine days before the said record date. In addition, the Board of Directors may decide to publish the notice in full or in part in an alternative manner as it deems appropriate. The notice shall contain information on the Member of the Board of Directors, their remuneration, the matters to be handled at the General Meeting and other information required under the Companies Act and the CG Code.

The notice of the General Meeting, documents to be submitted to the General Meeting (e.g. financial statements, report by the Board of Directors, auditor's report) and the resolution proposals to the General Meeting are made available on the Company's website at least three (3) weeks before the General Meeting.

The minutes of the General Meeting are published on the Company's website within two (2) weeks after the General Meeting. In addition, the decisions of the General

Meeting are also published by means of a stock exchange release immediately after the General Meeting. The documents related to the General Meeting are available on the Company's website at least for a period of three (3) months after the General Meeting.

Shareholders may attend a General Meeting either in person or by proxy. Notification regarding the attendance to a meeting must be made by the date mentioned in the notice to the General Meeting.

Only shareholders, who are registered in Asiakastiето's shareholders' register maintained by Euroclear Finland Ltd on the record date (i.e. eight (8) working days before the General Meeting) are entitled to attend a General Meeting. Holders of nominee registered shares may be registered temporarily in said shareholders' register and therefore, they are advised to request from their custodian banks necessary instructions regarding such temporary registration and the issuing of proxy documents. A proxy representative shall produce a dated proxy document or otherwise in a reliable manner demonstrate his/her right to represent the shareholder.

The Board of Directors may decide that the shareholders may participate in the General Meeting by post or telecommunications or by other technical means.

Asiakastiето has one series of shares. Each share has one vote in all matters dealt with by a General Meeting. A shareholder shall have the right to vote at the General Meeting, if he/she has registered to participate in the meeting by the date specified in the notice to the General Meeting, which date shall not be earlier than ten (10) days before the meeting. A shareholder may at the General Meeting vote with different shares in a different manner and a shareholder may also vote with only part of his/her shares. The Articles of Association of Asiakastiето include no redemption clauses or voting limitations.

Most resolutions by the General Meeting require a simple majority of the votes cast at the meeting. In an election, the person receiving the highest number of votes shall be deemed elected. The General Meeting may, however, prior to an election, decide that to be elected, a person shall receive more than half of the votes cast. However, there are several matters, which according to the Companies Act require a two-third (2/3) majority of the votes cast and of the shares represented at the meeting.

All Members of the Board of Directors, the auditor and CEO shall attend the General Meeting.

The Annual General Meeting was held on 30 March 2017.

## Shareholders' Nomination Board

Based on the proposal by the Board of Directors, the sole shareholder of the Company resolved on 10 March 2015 to establish a Shareholders' Nomination Board for an indefinite period to prepare proposals to the Annual General Meeting for the election and remuneration of the members of the Board of Directors and the remuneration of the Board Committees and the Nomination Board. According to the charter of the Nomination Board, it shall comprise representatives of the three largest shareholders of the Company and, in addition, of the Chairperson of the Board and a person nominated by the Company's Board of Directors as expert members.

The right to nominate the shareholder representatives lies with those three shareholders whose share of all the voting rights in the Company is on 31 May preceding the next Annual General Meeting the largest on the basis of the shareholders' register of the Company held by Euroclear Finland Ltd. However, holdings by a shareholder who, under the Finnish Securities Market Act, has the obligation to disclose its shareholdings (flagging obligation) that are divided into several funds or registers, will be summed up when calculating the share of all the voting rights, provided that such shareholder presents a written request to that effect to the Chairperson of the Company's Board of Directors no later than on 30 May preceding the next Annual General Meeting.

The aforementioned shareholders appoint, in accordance with the Charter of the Nomination Board, from the request of the Chairperson of the Company's Board of Directors their representatives to the Nomination Board after 31 May.

Shareholders' Nomination Board submits its proposal to the Board of Directors of the Company latest by end of January preceding next Annual General Meeting. Shareholders' Nomination Board reviews its performance and procedures one a year and gives out a report of its actions annually. The report is published in the Corporate Governance Statement.

## Principles concerning the diversity of the Board of Directors

The Company has defined the principles concerning the diversity of the Board of Directors in the following way:

In Asiakastiето Group Oyj, the proposal concerning the composition of the Board of Directors is prepared and made to the Annual general Meeting by the Shareholders' Nomination Board, which consists of the representatives of the Company's three largest shareholders and of the chairperson of the Board of Directors and a representative nom-

inated by the Board of Directors amongst them as expert members. When making their proposal for the composition of the Board of Directors, the Shareholders' Nomination Board applies these diversity principles defined by the Company or the assessment of diversity.

Diversity of the Board of Directors supports the development of the Company's business and the achievement of strategic objectives as well as the promoting of customer insight. The complementing expertise of the members and experience in the lines of business essential for the Company (financing, commerce, information technology) are considered important. From the point of view of diversity, experience in international operational environment and international representation are considered essential. The objective is that both genders be represented in the Board of Directors. Long-term needs and adequate turnover shall be taken into account when electing the members of the Board of Directors.

### Realization of diversity of the Board of Directors

At the moment (2017), the Company's Board of Directors consists of five members, one of whom is a foreign national. The members are experienced in Board duties in various types of companies. Of the members of the Board of Directors, two have acted in the Board of Directors of the Company or its subsidiary already before the Company's listing in 2015; three persons became members of the Board of Directors in connection with the listing or were nominated in the general meeting in 2016. Both genders are represented in the Company's Board of Directors.

These principles and the realization of diversity are presented as part of the Company's corporate governance.

### Report of the actions of the Shareholders' Nomination Board in 2017

#### General

The Company's sole shareholder (before the Company's listing on the stock exchange) decided on 10 March 2015 to found the Shareholders' Nomination Board to prepare the proposals to the Annual General Meeting for the selection and remuneration of Board members and the remuneration of the Board committees and the Nomination Board. The term of the Nomination Board is until next Annual General Meeting.

The three largest shareholders according to the share register as at 31 May 2017 were Sampo Plc, Mandatum Life Insurance Company Limited and OP-Delta Sijoitusrahasto.

Mandatum Life Insurance Company Limited informed that it does not wish to appoint a member to the Board. According to the Nomination Board Charter, the right to appoint a member was transferred to the next largest shareholder (Keva).

The companies appointed Patrick Lapveteläinen (Sampo Plc), Kalle Saariaho (OP-Delta Sijoitusrahasto) and Päivi Palomäki (Keva) as members of the Nomination Board. Patrick Lapveteläinen is a member of the Nomination Board as the Chairman of the Board of Directors and Bo Harald as a member appointed by the Board of Directors. As the Chairman of the Board of Directors also was the representative appointed by the largest shareholder, the Board consisted of four members.

Personal details on the Shareholders Nomination Board members are set forth in the table below:

Name	Birth year	Education	Occupation
Kalle Saariaho	1972	Master's degree in science (Econ.)	OP-Rahastoyhtiö Oy, CEO
Päivi Palomäki	1966	Master's degree in science (Econ.)	Keva, deputy CIO

The Board elected Patrick Lapveteläinen as Chairman. The Board assembled once in 2017. All members of the Nomination Board participated to this meeting.

#### Shareholders' Nomination Board's proposal

The Nomination Board proposes that the number of Board members be five (5).

The Board proposes that Anni (Anna-Maria) Ronkainen, Bo Harald, Petri Carpén, Patrick Lapveteläinen and Carl-Magnus Månsson be reelected as members of the Board of Directors.

The Board proposes that the remuneration payable to the Board of Directors Chairperson be EUR 40 000 per year and to other Board members EUR 25 000 per year. A separate remuneration will not be paid for the attendance to Board meetings.

The chairpersons of Board of Directors committees shall be paid an attendance fee of EUR 500 and the committee members shall be paid an attendance fee of EUR 400 per committee meeting.

The Board proposes that no remuneration will be paid to the Nomination Board members.

The Board proposes that reasonable travelling expenses for the attendance to the meetings shall be paid to members.

The Board proposes that the aforementioned proposed remuneration will become effective immediately after the next Annual General Meeting of the Company.

### Board of Directors

The Board's role is to manage the Company's business in the best possible way and in their work protect the interests of the Company and its shareholders. In accordance with the Articles of Association of Asiakastieto, the Board of Directors shall consist of a minimum of four (4) and a maximum of eight (8) members elected by the General Meeting. The members of the Board of Directors shall be appointed for one year at a time. The Shareholders' Nomination Board prepares a proposal on the composition of the Board to the Annual General Meeting for its decision.

Asiakastieto's Board members shall be professionally competent and as a group have sufficient knowledge of and competence, inter alia, in the Company's field of business and markets. A new Member of the Board must have induction of the activities. The majority of the directors shall be independent of the Company. In addition, at least two of the directors, representing the aforementioned majority, shall be independent of significant shareholders of the Company. Independency from the Company is determined based on the fact whether a person has been employed by any of the Asiakastieto Group companies within the last 5 years. Independency from the shareholders is determined based on the fact whether a person has either directly or through controlling interest company owned Asiakastieto's shares during the last year.

The Board has general authority to decide on and act in any matters not reserved by law or under the provisions of the Articles of Association to any other governing body of the Company. The Board of Directors is responsible for the management of the Company and its business operations. Additionally, the Board is responsible for the appropriate arrangement of the bookkeeping and financial administration.

The operating principles and main duties of the Board of Directors have been defined in the Charter for the Board of Directors and include, among other things, to:

- establish business objectives and strategy,
- appoint, continuously evaluate and, if required, remove the CEO from office,
- ensure that there are effective systems in place for monitoring and controlling the Group's operations and financial position compared to its stated objectives,
- ensure that there is satisfactory control of the Company's compliance with laws and other regulations applicable to the Company's operations, and

- ensure that the Company's external disclosure of information is marked by openness and is correct, timely, relevant and reliable, by way of, among other things, adopting a disclosure policy.

By the resolution of Annual General Meeting on 30 March 2017, Bo Harald, Petri Carpén, Patrick Lapveteläinen, Carl-Magnus Månsson and Anni (Anna-Maria) Ronkainen were appointed as members to the Board of Directors.

### Independence of the Board of Directors

Under the Finnish Corporate Governance Code 2015, the majority of directors shall be independent of the Company. In addition, at least two directors of this majority shall be independent of the Company's major shareholders. The Board shall evaluate the independence of directors and report which directors it determines to be independent of the Company and which directors it determines to be independent of major shareholders.

Based on an evaluation by the Board of Directors pursuant to the Finnish Corporate Governance Code, all members of the Company's new Board of Directors are considered to be independent of the Company. In addition, all members of the Board, except for Patrick Lapveteläinen are independent of the significant shareholders. The Company is in compliance with recommendation 10 of the Corporate Governance Code.

Personal details on the Board members are set forth in the table on the page 76.

1/5 of the Members of the Board are women at the end of year 2017. Age distribution is 51-69 years. Members present three nationalities and they have gained experience from various industries.

The performance of the Board is evaluated annually. In 2017 the Board evaluated time allocation in meetings, the frequency and length of the meetings, practicalities of the meetings, the material received by the Board and the material distribution, the culture of the Board, the role and actions of the Chairman as well as gave proposals to make performance more efficient.

Meetings of the Board of Directors are convened by its Chairperson. The Board of Directors constitutes a quorum when more than half of the members appointed by the General Meeting are present at the meeting. When votes are cast, the majority opinion will be the Board's decision and, in the case of a tie, the Chairperson will have the casting vote.

The Board of Directors is always obliged to act in the Company's interests and in such a way that its acts or measures are not likely to produce unjustified benefit to any shareholder or other third party at the cost of the Company or another shareholder.

The following table presents details of the Board of Directors members:

Name	Birth year	Position	Education	Occupation	Positions of trust
Bo Harald	1948	Member (from 22 December 2014)	Master of Arts (Pol.Sc.)	CEO of Why-Advisory Oy	Chairman of the Board of Directors: Oy Transmeri Group Ab, ZEF Oy Member of the Board of Directors: Why-Advisory Oy, Enterpay Oy, European Mobile Operator Oy, Moi Mobiili Oy, Demos Helsinki ry
Petri Carpén	1958	Member (from 22 December 2014)	Master's degree in law (LL.M.)	Director of Nets Oy	–
Anni (Anna-Maria) Ronkainen	1966	Member (from IPO 31 March 2015)	Master's degree in science (Econ.)	Chief Digital Officer of Kesko Oyj	Member of the Board of Directors: Nordic Morning Oyj
Patrick Lapveteläinen	1966	Chairman (from 1 April 2016)	Master's degree in science (Econ.)	Investment Director of Sampo Plc	Member of the Board of Directors: If P&C Insurance Holding Ltd, Mandatum Life
Carl-Magnus Månsson	1966	Member (from 1 April 2016)	Master's degree in science (Eng.)	CEO of Acando Ab (publ.)	–

A Board member is disqualified from participating in the handling of a matter pertaining to a contract or other transaction between the Board member and the Company or of such matter where the member is to derive an essential benefit and that benefit may be contrary to the interests of the Company. In principle, a Board member may not participate in the handling of a matter if the Board member is involved in the matter under assessment in another capacity.

The Board of Directors shall convene as frequently as necessary to discharge its responsibilities. The Chief Executive Officer ensures that the Board is provided with sufficient information to assess the operations and financial situation of the group.

The secretary of the Board of Directors is Manager, legal affairs Juuso Jokela.

### Board meetings 2017

The Board of Directors convened altogether 10 times during year 2017. Average attendance was 96 per cent. In addition, the Board made once separate time resolution in accordance with Chapter 6, Section 3 of the Finnish Companies Act without convening a meeting.

### Board Committees

The Board annually appoints an Audit Committee and may also appoint other permanent Committees if considered necessary at its organization meeting following the Annual General Meeting. The Board did not appoint Nomination and Remuneration Committee in its organizational meeting 30 March 2017. The composition, duties and working procedures of the Committees shall be defined by the Board in the Charters confirmed for the Committees. The Committees regularly report on their work to the Board.

### Audit Committee

The Audit Committee consists of at least three (3) members, the majority of which must be independent of the Company. The members shall have the qualifications necessary to perform the responsibilities of the Committee. At least one (1) member shall be independent of the significant shareholders and at least one (1) member shall have expertise specifically in accounting, bookkeeping or auditing. All members of the Committee shall be versed in financial matters.

According to its Charter, the Audit Committee assists the Board in fulfilling its super-

visory responsibilities and also prepares certain accounting and auditing matters to be handled by the Board. In addition, the Audit Committee makes recommendations for the election and removal of the external auditors and for their compensation and approves the external auditors' audit plan based on the auditors' proposal. Among its other duties, the Audit Committee reviews and monitors the financial reporting process, the efficiency of the system of internal control and risk management, and the audit process.

Petri Carpén serves as the Chairperson of the Audit Committee and Carl-Magnus Månsson and Anni (Anna-Maria) Ronkainen serve as members of the Audit Committee.

Audit Committee convened 3 times during 2017. Average attendance was 100 per cent.

In accordance with its financial calendar, the Audit Committee discussed matters relating to internal control and auditing, and reviewed the audit plan and remarks from auditing during the financial year. The Audit Committee reviewed IFRS changes and especially paid attention to analysis performed by the Company about IFRS15 implications. The Audit Committee also reviewed financial actual amounts and forecasts for the financial year, budget for the next financial year and impairment testing. The Audit Committee also discussed calculations relating to a corporate acquisition.

#### Attendance to Board and Committee Meetings

	Board meeting	Audit Committee
Bo Harald	10/10	
Petri Carpén	10/10	3/3
Anni (Anna-Maria) Ronkainen	8/10	3/3
Patrick Lapveteläinen	10/10	
Carl-Magnus Månsson	10/10	3/3

#### Chief Executive Officer

The Chief Executive Officer ("CEO") of Asiakastieto is appointed by the Board. The CEO is in charge of the day-to-day management of the Company. The duties of the CEO are governed primarily by the Finnish Companies Act. The CEO leads the operational activities and prepares information and decisions to support the Board and presents his findings at Board meetings.

In accordance with the Finnish Companies Act, the CEO has a right to decide himself on certain urgent matters which otherwise would require a Board decision. Jukka Ruuska is the CEO of the Company.

Jukka Ruuska (born 1961) has been an Executive Team member since 2011 and was appointed as Asiakastieto Group Plc's CEO as of 2012. He currently serves as Chairman of the Board of Suomen Asiakastieto Oy and as a member of the board of Finnish Foundation for Share Promotion, Suomen Kansallistatterin Osakeyhtiö, Nordic Morning Oyj and AB Lindex. He has served as a member of the Board of Asiakastieto Group Oyj, Affecto Oyj, B10 Asset Management Oy and Destia Oy. His previous positions also include President of Nordic Exchange Oyj, Deputy CEO of OMX Abp, Senior Partner at CapMan and Head of Corporate Planning at Elisa Corporation. He holds a LL.M from University of Helsinki and MBA degrees from Helsinki University of Technology.

#### Executive Team

The Company had an Executive Team at the end of year 2017 consisting of Jukka Ruuska, Heikki Koivula, Terhi Kauppi, Jouni Muhonen, Mikko Karemo, Esa Kumpu, Jari Julin, Risto Kallio and Heikki Ylipekkala. The members of the Executive Team are appointed by the Board based on a proposal by the CEO. The members of the Executive Team report to the CEO.

The Executive Team members handle the issues that concern managing of the group in their respective areas and on the basis of the guidance provided by the Board of Directors. The Executive Team meets one to two times per month, or as required, and supports the CEO in, for example, the preparation and execution of strategic matters, operating plans, matters of principle and any other significant matters. The Executive Team also assists the CEO in ensuring the flow of information and sound internal cooperation.

The following table presents details of the management team members:

Name	Birth year	Position	Appointed
Jukka Ruuska	1961	CEO	2011
Heikki Koivula	1974	Deputy-CEO and Head of Product Area (Business Information)	2010
Terhi Kauppi	1971	CFO	2015
Jouni Muhonen	1968	Head of Product Area (Consumer Information)	2013
Mikko Karemo	1971	Sales Director	2012
Jari Julin	1968	CIO (from 20 February 2017)	2017
Risto Kallio	1961	Head of Service Production	2004
Esa Kumpu	1964	Head of Product Area (Customer Management)	2016
Heikki Yli-Pekkala	1967	Head of Product Area (Real Estate and Collateral Information)	2016

## Remuneration

The remuneration of the members of the Board of Directors, the Board Committees and the Shareholders' Nomination Board is decided by the Annual General Meeting of Asiakastieto based on a proposal by the Shareholders' Nomination Board.

The Board of Directors decides on the remuneration of the CEO. The remuneration of the senior management, i.e. members of the Executive Team, is decided by the Board based on a proposal by the CEO.

In accordance with the Finnish Corporate Governance Code, the Company publishes its Remuneration Statement on the Company's website.

## Board Remuneration

The Annual General Meeting 30 March 2017 decided that the remuneration payable to the Board of Directors Chairperson be EUR 40 000 and to other Board members EUR 25 000 per year. A separate remuneration will not be paid for the attendance to Board meetings. The chairpersons of Board of Directors committee shall receive an attendance fee of EUR 500 and the committee members shall be paid an attendance fee of EUR 400 per committee meeting.

The Company decided on a practice where Board Members are remunerated always by end of term in connection with the Annual General Meeting.

During 2017 EUR 145 thousand were paid to Members of the Board according to the table below.

## Board remuneration

EUR thousand	1.1.-31.12.2017	1.1.-31.12.2016
Anni (Anna-Maria) Ronkainen (member from 31 March 2015)	27	26
Bo Harald (member from 22 December 2014)	25	28
Petri Carpén (member from 22 December 2014)	27	28
Patrick Lapveteläinen (member from 1 April 2016)	40	-
Carl-Magnus Månsson (member from 1 April 2016)	27	-
<b>Total</b>	<b>145</b>	<b>82</b>

## Remuneration for Executive Team (CEO not included)

EUR thousand	1.1.-31.12.2017	1.1.-31.12.2016
Salaries and benefits	1 068	800
Performance based incentives <sup>1</sup>	360	35
<b>Total</b>	<b>1 428</b>	<b>835</b>

<sup>1</sup> Incentives have been reported on the basis of the payment and paid on the previous period's result.

## CEO remuneration

EUR thousand	1.1.–31.12.2017	1.1.–31.12.2016
Salaries and benefits	236	224
Performance based incentives <sup>1</sup>	189	117
Pension cost - voluntary contribution plan	9	9
<b>Total</b>	<b>433</b>	<b>349</b>

<sup>1</sup> Incentives have been reported on the basis of the payment and paid on the previous period's result.

## Board of Directors' and management's share ownership 31 December 2017

Board members	Number of Shares
<b>Lapveteläinen Patrick</b>	10 000
Chairman of the Board	
Related party's ownership	8 000
<b>Carpén Petri</b>	0
Related party's ownership	0
<b>Harald Bo</b>	0
Related party's ownership	0
<b>Månsson Carl-Magnus</b>	0
Related party's ownership	0
<b>Ronkainen Anni (Anna-Maria)</b>	0
Related party's ownership	0
<b>Total</b>	<b>18 000</b>

## CEO and Executive Team

## Number of Shares

<b>Ruuska Jukka</b>	60 000
CEO	
Related party's ownership	0
<b>Kallio Risto</b>	2 712
Related party's ownership	0
<b>Karemo Mikko</b>	4 219
Related party's ownership	0
<b>Kauppi Terhi</b>	2 371
Related party's ownership	0
<b>Koivula Heikki</b>	9 040
Related party's ownership	0
<b>Kumpu Esa</b>	0
Related party's ownership	0
<b>Muhonen Jouni</b>	3 014
Related party's ownership	0
<b>Julin Jari</b>	0
Related party's ownership	0
<b>Ylilpekkala Heikki</b>	0
Related party's ownership	0
<b>Total</b>	<b>81 356</b>

## Auditor

The main function of the statutory audit is to verify that the financial statements provide true, accurate and sufficient information on the Asiakastieto Group's performance and financial position for the financial year. The Asiakastieto Group's financial year is the calendar year. The auditor's responsibility is to audit the correctness of the Group's accounting in the respective financial year and to provide an auditor's report to the General Meeting. In addition, Finnish law requires that the auditor also monitors the lawfulness of the Company's administration. The auditor reports to the Board of Directors at least once a year.

The Audit Committee prepares a proposal on the appointment of Asiakastieto's auditors, which is then presented to the AGM for its decision. The compensation paid to the auditors is decided by the AGM and assessed annually by the Audit Committee.

Pursuant to Article 8 of the Company's Articles of Association, the Company must



have one auditor that is a company of public accountants approved by the Central Chamber of Commerce of Finland. The term of the Auditor of the Company shall end at the close of the Annual Meeting following the election.

The Annual General Meeting 30 March 2017 has appointed PricewaterhouseCoopers Oy, Authorised Public Accountants as its auditor. PricewaterhouseCoopers Oy has appointed Martin Grandell, Authorised Public Accountant, as the principal responsible auditor.

In 2017 auditor Company was paid EUR 78 thousand for auditing and for other services EUR 171 thousand.

#### Auditor's share ownership 31 December 2017

Auditor	Number of Shares
Grandell Martin	0
Auditor in charge	
Related party's ownership	0
<b>Total</b>	<b>0</b>

## Internal control and risk management

### Risk management

Asiakastieto is exposed to a number of risks and uncertainties related to, among other factors, the market conditions, the Company's industry, the Company's strategy, business operations of the Company and financial risks. The materialisation of any such risks could have a material adverse effect on Asiakastieto's business, financial condition, results of operations and future prospects

The objective of Risk Management is to secure profitable performance of the Asiakastieto Group and to ensure the continuity of the business by executing risk management in a cost-effective and systematic manner in the different functions of the Company. Risk management is part of Asiakastieto's strategic and operative planning, daily decision-making process and internal control.

### Main Principles for Organizing Risk Management

The Company complies with a policy approved by the Company's Board of Directors for the management of risks. Risk Management covers all activities that are related to the objectives being achievable and consistent with the strategy, to the identification, measuring, assessment, processing, reporting and control of risks and to the reaction to risks.

### Main Features of Risk Management Process

In conjunction with the strategy process and annual planning, the Company's CEO and members of the management group evaluate the business risks which may prevent or endanger the achieving of the group's strategic and result objectives. The units provide risk assessments of their own operations for the support of the strategy process. The directors of the units have to provide assessments of the risks of their own area of responsibility and present action plans for the management of risks. Changes taking place in the strategic and operative risks are discussed in the management group.

Asiakastieto's CEO reports the identified risks as well as planned and implemented actions for the risk mitigation to the Audit Committee and the Board of Directors. In accordance with the recommendation 26 of the Finnish Corporate Governance Code, the Company shall disclose the major risks and uncertainties that the Board is aware of and the principles along which risk management is organised. The Audit Committee shall assure that the Corporate Governance Statement published by the Company shall contain an appropriate description of the main features of the internal control and risk management systems in relation to the financial reporting process.

The report by the Board of Directors contains an evaluation of the major risks and uncertainties. In addition, the interim reports and financial statements releases shall describe major short-term risks and uncertainties related to the business operations.

During the year 2017 also a separate comprehensive risk assessment update was performed related to strategical, finance, operative and hazard risks. In each of these areas are many subareas which were evaluated based on probability of the risk as well as the effect of the risk. All in all 42 risks were identified out of which 7 was seen as bearing significant risk. 6 out of these 7 high risk subareas were strategical in nature. For all risks identified analyse, documentation and action plan to mitigate risks were performed.

## Internal control

The objective of the internal control in Asiakastieto Group is to ensure that business operations are efficient and profitable, financial reporting is reliable, and that applicable laws and regulations for the Company's business, as well as Company's internal instructions are followed. The specific objective of the internal control over financial reporting is to ensure that interim reports, financial statement releases and other financial reporting made available to the public, and financial statements and annual reports are reliable and are prepared in accordance with the accounting and reporting principles adopted by the Company.

The Audit Committee of Asiakastieto is responsible for, according to its working order, the monitoring of the financial statement preparation and financial reporting processes, and it monitors the effectiveness of the Company's internal control and risk management processes.

CEO is operationally responsible for the organization of the internal control. It includes that the Company has designed and implemented adequate internal control mechanisms as stipulated in the operating principles approved by the Board. CEO, supported by the Management Team, is responsible to ensure that the Company operates in accordance with the agreed and defined principles, follows laws and regulations, and reacts towards identified exceptions and takes adequate corrective actions.

The duty of the CFO is to make sure and control that the bookkeeping and financial reporting practices of the group are in accordance with the law and that the financial and management reporting is reliable.

An integral part of the internal control is the document indicating the Company's delegation of authority, as defined by the Board (Delegation of Authority Summary). The guideline defines authorisations of the Board, the CEO and other management team members. The guideline deals with the situations where authorisations may be required for annual financial accounts, budget, remuneration, investments, acquisitions, financing and one-off transactions. Asiakastieto Code of Ethics is applicable for all the group employees. It has been published in the Company's intranet and is also introduced to all new employees.

Asiakastieto has adopted the ISO 9001-based quality system. This describes the Company's principal processes and related controls, by means of which the units can control and develop their process risk management. Financial department has created a control catalogue which is being updated and also defined control points which are being tested on regular basis.

## General Description of Internal Control and Operational Principles

Internal control is carried out by the Board of Directors, management and the Company's entire personnel so that it can reasonably be asserted that:

- the operations are functioning, efficient and in compliance with the strategy
- the financial reporting and information given to the management is reliable, sufficient, and timely
- applicable laws and regulations as well as the Company's internal instructions and ethical values are complied with at Asiakastieto

Asiakastieto's internal control contain the following structural elements:

- instructions and principles set by the Board of Directors for internal control, risk management and administration
- the implementation and application of instructions and principles under the supervision of the management
- control of the efficiency and functionality of operations as well as the reliability of the financial and management reporting by the financial department
- the Company's risk management process, the purpose of which is to identify, assess and reduce risks threatening the achievement of objectives
- compliance processes, the purpose of which is to ensure that all applicable laws, regulations, internal instructions and ethical values are complied with common ethical values and strong internal control culture amongst all employees

Asiakastieto has no specific internal audit organisation. This has been taken into consideration in the content and extent of the annual audit plan. The Audit Committee of the Board shall, according to its working order, evaluate on a yearly basis whether such function should be established. The Audit Committee may use either internal or external resources to carry out specific internal audit assignments. The Group Finance of the Company monitors adherence of the approval limits as defined in the Delegation of Authority guidelines.

## Focus areas in 2017 for internal control development

Areas of focus for the internal control in 2017 were analyse of variances detected in the reporting, user rights verifications and ad hoc detailed internal analyses of certain expense or profit items

### Related party transactions

Asiakastieto has not conducted related party transactions that are material from the perspective of the company and where such transactions deviate from the company's normal business operations or are not made on market or market equivalent terms.

### Compliance with laws and regulation

It is the policy of Asiakastieto to comply throughout the organization with all applicable laws and regulations and to maintain an ethical workplace for its officers and employees as well as an ethical relationship with its customers, suppliers and other business partners.

In its insider administration Asiakastieto follows the Guidelines for Insiders issued by Nasdaq Helsinki Ltd complemented by the Company's own Insider Guidelines approved by the Board. The Company's own Insider Guidelines were changed according to the MAR regulation (Market Abuse Regulation, 596/57/EU; MAR). The Company maintains the list of persons discharging managerial responsibilities and persons closely associated to them and project specific insider registers in the SIRE system of Euroclear Finland Ltd. In accordance with MAR regulation persons discharging managerial responsibilities include the members of the Board (and their deputies, if any) and in addition, based on a decision made by Asiakastieto's Board of Directors, the Executive Team. Asiakastieto has no company-specific permanent insider register.

According to Asiakastieto's Insider Guidelines, persons discharging managerial responsibilities shall always obtain a prior approval for trading in the Company's securities from the Company's Insider Officer. Persons discharging managerial responsibilities may not in any event trade in the Company's securities during the period of 30 days before the publication of the (quarterly) interim report or annual result (Closed Window). According to the Insider Guidelines approved by the Board also the persons who participate in the financial reporting of the Company are concerned by this prohibition to trade during the Closed window.

A project-specific insider register is also maintained when required by law or regulations. Project specific insiders are prohibited from trading in the Company's securities until the termination of the project.

### Shareholders' Agreements

The Company is not aware of any shareholders' agreements regarding the shares of the Company.

### Board of Directors' report

Board of Directors published in 1 March 2018 its report for financial year 2017. Board of Directors report is published at the same time with Corporate Governance Statement.



## Board of Directors



### Patrick Lapveteläinen

b. 1966

**Education:** M.Sc. (Econ.)  
Chairman of the Board from 1 April 2016

**Main duty:** Investment Director of Sampo Plc

**Positions of trust:** Member of the Board of Directors: If P&C Insurance Holding Ltd and Mandatum Life Insurance Company Limited (Sampo Life Insurance Company)

Independent of the company but not independent of its significant shareholders

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 10 000 shares, holdings of interest parties 8 000 shares*



### Petri Carpén

b. 1958

**Education:** Master of Laws (LL.M.)  
Board member from 22 December 2014

**Main duty:** Director of Nets Oy

**Positions of trust:** -

Independent of the company and independent of its significant shareholders

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 0, no holdings of interest parties*



### Bo Harald

b. 1948

**Education:** Master of Arts (Pol. Sc.)  
Board member from 22 December 2014

**Main duty:** CEO of Why-Advisory Oy

**Positions of trust:** Chairman of the Board of Directors: Oy Transmeri Group Ab and ZEF Oy, Member of the Board of Directors: Why-Advisory Oy, Enterpay Oy, European Mobile Operator Oy, Moi Mobiili Oy and Demos Helsinki ry

Independent of the company and independent of its significant shareholders

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 0, no holdings of interest parties*



### Carl-Magnus Månsson

b. 1966

**Education:** M.Sc. (Eng.)

Board member from 1 April 2016

**Main duty:** CEO of Acando Ab (publ.)

**Positions of trust:** -

Independent of the company and independent of its significant shareholders

*Shareholding in Asiakastiето Group Plc on 31 December 2017:  
0, no holdings of interest parties*



### Anni (Anna-Maria) Ronkainen

b. 1966

**Education:** M.Sc. (Econ.)

Board member from 31 March 2015

**Main duty:** Chief Digital Officer of Kesko Oyj

**Positions of trust:** Member of the Board of Directors: Nordic Morning Oyj

Independent of the company and independent of its significant shareholders

*Shareholding in Asiakastiето Group Plc on 31 December 2017:  
0, no holdings of interest parties*

## Executive Team



Jukka Ruuska



Heikki Koivula



Terhi Kauppi



Jari Julin



Risto Kallio



Mikko Karemo



Esa Kumpu



Jouni Muhonen



Heikki Ylpekkala

**Jukka Ruuska**

b. 1961  
CEO  
Master of Laws (LL.M.), MBA

Employed by Asiakastiето Group since 2011. He has previously acted as President of Nordic Exchange Oyj, Deputy CEO of OMX Abp, Senior Partner at CapMan Oyj and Head of Corporate Planning at Elisa Corporation.

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 60 000 shares, no holdings of interest parties.*

**Heikki Koivula**

b. 1974  
Deputy CEO and Director,  
Business Information  
eMBA

Employed by Asiakastiето Group since 2010. He has previously acted as Development Director at Asiakastiето Group and Vice President at OP Group.

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 9 040 shares, no holdings of interest parties.*

**Terhi Kauppi**

b. 1971 CFO / Finance, HR, Legal Affairs  
and Investor Relations until 9.5.2018  
M.Sc. (Econ.)

Employed by Asiakastiето Group since 2015. She has previously acted as CFO at Pontos Oy and First Hop Oy as well as in various accounting roles at Nokia Oyj and other international companies.

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 2 371 shares, no holdings of interest parties.*

**Jari Julin**

b. 1968  
CIO and Quality Director  
M.Sc. (Eng.)

Employed by Asiakastiето Group since 2017. He has previously worked in IT development and executive capacities at Danske Bank Helsinki and Sampo Bank Plc.

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 0, no holdings of interest parties*

**Risto Kallio**

b. 1961  
Service Director  
M.Sc. (Soc. Sc.)

Employed by Asiakastiето Group since 2004. He has previously acted as Development Director at Radiolinja Oy and Head of Information Services at Asiakastiето Group.

*Shareholding in Asiakastiето Group Plc on 31 December 2016: 2 712 shares, no holdings of interest parties.*

**Mikko Karemo**

b. 1971  
Sales and Marketing Director  
Master of Laws (LL.M.)

Employed by Asiakastiето Group Plc since 2012. He has previously acted in expert and leading positions in finance and service sector in Finland, Sweden and China. Before coming to Asiakastiето Group, he acted as Regional Director at IF P&C Insurance.

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 4 219 shares, no holdings of interest parties.*

**Esa Kumpu**

b. 1964 Director, Customer Management  
Diploma in Business and Administration

Employed by Asiakastiето Group since 2016. He has previously acted as Business Director of the Customer Marketing unit at Fonecta Oy and as CEO at Intellia Oy.

*Shareholding in Asiakastiето Group Plc on 31 December 2016: 0, no holdings of interest parties.*

**Jouni Muhonen**

b. 1968 Director, Consumer Information  
Master of Laws (LL.M.), MBA

Employed by Asiakastiето Group since 1998. He has previously acted as Development Manager and Business Manager at Asiakastiето Group.

*Shareholding in Asiakastiето Group Plc on 31 December 2016: 3 014 shares, no holdings of interest parties.*

**Pertti Vahermaa**

b. 1958  
CIO and Quality Director until 31 March 2017  
M.Sc. (Eng.)

Member of the Executive Team until 31 March 2017. He has previously acted as Head of IT at Nordic Investment Bank and Group Business CIO at Nordea Bank.

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 2 712 shares, no holdings of interest parties.*

**Heikki Ylipekkala**

b. 1967  
Director, Real Estate and Collateral Information  
B.Pol.Sc., eMBA

Employed by Asiakastiето Group since 2016. He has previously acted in the executive teams of the national central securities depositories of Finland and Sweden (Euroclear Finland and Euroclear Sweden).

*Shareholding in Asiakastiето Group Plc on 31 December 2017: 0, no holdings of interest parties.*

## Shares and shareholders

Asiakastieto Group Plc has one share class. Each share carries one vote at the General Meeting of shareholders and each share confers equal right to dividends and net assets of the company. The shares have no nominal value. The shares of the company are incorporated in the book-entry securities system.

At the closing of the financial year, the share capital of the company amounted to EUR 80 thousand and the total number of shares was 15 102 178.

The company did not hold any of its own shares at the end of the financial year. The General Meeting held on 30 March 2017 authorised the Board of Directors to decide on the repurchase of 1 000 000 of the company's own shares. The authorisation cancelled the previous share issue authorisation granted to the Board of Directors on 1 April 2016 by the resolution of the company's sole shareholder. The maximum quantity corresponds to approximately 6,6 % of the company's shares and voting rights. The authorisation is effective for 18 months from the date of the resolution. Further information on the authorisation can be found under 'Authorisations of the Board of Directors'.

### Share price and volume

During the financial year, a total of 1 816 212 shares were traded, and the total exchange value was EUR 36,9 million. The highest share price in the financial year was EUR 24,35 and the lowest EUR 17,14. The average price was EUR 20,31 and the closing share price was EUR 23,90. Market capitalisation measured at the closing price of the financial year was EUR 360,9 million.

### Shareholders

According to the book-entry securities system, the company had 2 470 shareholders at 31 December 2017, including seven nominee-registers. A list of the largest shareholders is available on the company's investor pages at [investors.asiakastieto.fi](http://investors.asiakastieto.fi). The company's biggest shareholder is the Sampo Group (Sampo Plc and Mandatum Life), their joint holding being 19,33 %.

The information is based on the list of the company's shareholders maintained by Euroclear Finland Ltd.



## Significant shareholders on 31 December 2017

Shareholder	Number of shares	% of share capital	Nominee registered
01 Skandinaviska Enskilda Banken Ab (Publ) Helsinki Branch	2 387 435	15,809	x
02 Nordea Bank Ab (Publ), Finnish Branch	1 982 155	13,125	x
03 Sampo plc	1 520 000	10,065	
04 Mandatum Life	1 400 000	9,270	
05 OP-Finland-Mutual Fund	918 464	6,082	
06 Svenska Handelsbanken Ab (Publ) Branch Operation in Finland	570 733	3,779	x
07 Keva	569 222	3,769	
08 Elo Mutual Pension Insurance Company	410 528	2,718	
09 Clearstream Banking S.A.	400 179	2,650	x
10 Kaleva Mutual Insurance Company	370 907	2,456	
11 Mutual Fund Nordea Nordic Small Cap	350 630	2,322	
12 Mutual Fund Evli Finnish Small Cap	337 127	2,232	
13 Mutual Fund Nordea Pro Finland	287 214	1,902	
14 Church Pension Fund	238 775	1,581	
15 SR Danske Invest Finland Institutional Equity	214 131	1,418	
16 Säästöpankki Interest Plus Mutual Fund	190 500	1,261	
17 Ilmarinen Mutual Pension Insurance Company	175 000	1,159	
18 SR Danske Invest Finnish Small Cap Fund	169 197	1,120	
19 OP-Finland Small Companies Fund	166 485	1,102	
20 Säästöpankki Kotimaa Mutual Fund	150 000	0,993	
<b>20 largest shareholders total</b>	<b>12 808,682</b>	<b>84,813</b>	
<b>All shares</b>	<b>15 102,178</b>	<b>100,00</b>	

## Shareholder structure by sector 31 December 2017

Sector	Number of shareholders	% of shareholders	Number of shares	% of share capital
Companies and housing companies	200	8,097	787 635	8,084
Finance and insurance institutions	30	1,215	6 323 439	64,903
General government	10	0,405	1 584 228	16,260
Households	2 146	86,883	847 286	8,696
Non-profit organisations	77	3,117	199 105	2,044
Foreign shareholders	7	0,283	1 264	0,013
<b>Total</b>	<b>2 470</b>	<b>100,000</b>	<b>9 742 957</b>	<b>100,000</b>

## Ownership distribution by number of shares on 31 December 2017

Number of shares	Number of shareholders	% of shareholders	% of shareholders	% of share capital
1 – 100	856	34,656	53 734	0,356
101 – 500	1 085	43,927	287 844	1,906
501 – 1 000	276	11,174	218 843	1,449
1 001 – 5 000	175	7,085	351 376	2,327
5 001 – 10 000	30	1,215	220 204	1,458
10 001 – 50 000	18	0,729	454 159	3,007
50 001 – 100 000	9	0,364	584 549	3,871
100 001 – 500 000	14	0,567	3 583 460	23,728
500 001 – 999 999 999 999	7	0,283	9 348 009	61,898
<b>Total</b>	<b>2 470</b>	<b>100,000</b>	<b>15 102 178</b>	<b>100,000</b>
<b>Of which nominee registered</b>	<b>7</b>		<b>5 359 221</b>	<b>35,486</b>

The information is based on the list of the company's shareholders maintained by Euroclear Finland Ltd.

## Information for shareholders

### Annual General Meeting

Asiakastieto Group Plc's Annual General Meeting will be held in Helsinki on Thursday 22 March 2018, starting at 10:00 am, at the Musiikkitalo, Terässilämpiö at Mannerheimintie 13, 00100 Helsinki. The notice of the Annual General Meeting, including registration instructions, can be found on the Group's Investor pages at [investors.asiakastieto.fi](http://investors.asiakastieto.fi).

### Board of Directors' proposal to the Annual General Meeting

The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0,95 per share be paid for the year 2017. If the Annual General Meeting approves the Board of Directors' proposal on the distribution of funds, payment shall be made to shareholders registered in the company's shareholder register maintained by Euroclear Finland Ltd on the payment record date of 26 March 2018. The Board of Directors proposes that the funds be paid on 4 April 2018.

### Changes of address

Shareholders are kindly requested to notify the account manager of the book-entry account of any changes of address.

### Financial information in 2018

Each year, Asiakastieto Group Plc publishes a financial statement release, an annual report, a half year financial report and two interim reports. After they are published, the stock exchange releases can be read on the Group's investors site. The annual report is published as a PDF file only.

Annual Report for 2017 .....	week 10/2018
Interim Report 1 Jan–31 Mar (Q1) .....	4 May 2018
Half Year Financial Report 1 Jan–30 Jun (Q2) .....	1 August 2018
Interim Report 1 Jan–30 Sep (Q3) .....	8 November 2018

### Basic share information

Market .....	Nasdaq Helsinki
List.....	Mid Cap
Sector .....	Financials
Trading code .....	ATG1V
Votes/share .....	1
Number of shares on 31 December 2017 .....	15 102 178
Share capital (EUR) .....	80 000

### Analysts

Information about analysts following the company can be found on the Investor pages. The list is not necessarily exhaustive, and Asiakastieto Group shall not be held responsible for any estimates presented in analyses.

### Investor Relations

The goal of the Group's IR function is to produce accurate up-to-date information about the company's business operations and financial development. Asiakastieto Group publishes all investor information on its Investors site in Finnish and English. Asiakastieto Group Plc observes a 30-day period of silence before the publishing of financial reports. During this period, the company does not arrange or participate in any one-on-one meetings with investors, analysts or the media.

### IR contact information

**Pia Katila** Investor Relations Manager  
**Tel.** +358 10 270 7506  
[firstname.lastname@asiakastieto.fi](mailto:firstname.lastname@asiakastieto.fi)





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