asiakastieto + UC

Asiakastieto Group Plc

FINANCIAL STATEMENTS

1.1.–31.12.2018

ASIAKASTIETO GROUP PLC, STOCK EXCHANGE RELEASE 15 FEBRUARY 2019 AT 11.00 EET

Asiakastieto Group's Financial Statement Release 1.1. – 31.12.2018: Becoming the leading digital information service company in the Nordic region

SIGNIFICANT EVENTS

The acquisition of UC

Asiakastieto Group Plc announced on 24 April 2018 that it has signed an agreement to combine with UC AB. The combination was completed by Asiakastieto Group Plc acquiring the shares in UC during the second quarter, on 29 June 2018. As a result of the transaction, UC AB's consolidated balance sheet has been consolidated as part of Asiakastieto Group Plc's consolidated balance sheet from 30 June 2018 and UC AB's consolidated income statement as part of Asiakastieto Group Plc's consolidated income statement from 1 July 2018. More detailed information on the impacts of the acquisition on the Group's balance sheet are presented under Note 2.3 Corporate Acquisitions in the notes to the condensed financial statements.

To demonstrate the impacts of the acquisition on the result of operations and financial position of the Group and to improve the comparability, Asiakastieto Group has prepared unaudited pro forma financial information. In this financial statement release, unaudited pro forma statement of income and pro forma key ratios are shown for the year 2017 and the review period as if the share transaction had been completed already on 1 January 2017. The pro forma financial information is indicated as Pro forma information in each instance where it appears in this financial statement release. The pro forma financial reporting principles are described in Note 1 to this financial statement release.

The Group's new organisational structure

On 20 June 2018, Asiakastieto Group's Board of Directors decided on a new organisational structure. From 1 July 2018 on, Asiakastieto Group's new organisation consists of two types of units: business areas and functional units supporting the business. The business areas are responsible for the Group's service offering and the functional units for the production, maintenance and active development of the operations in their own focus area and business processes. The functional units are Sales Units, Marketing and Communications, IT and Technology, HR, and Finance.

Group's new business areas

Risk Decisions: Companies engaging in corporate and consumer business use decision services and solutions for general risk management, credit risk management, financial management, customer acquisition, decision-making, fraud and credit loss prevention as well as for gaining knowledge of and identifying their customers.

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

Digital Processes: Services in this business area include, among others, real estate and apartment information, information about buildings and their valuation as well as solutions that help customers to automate their collateral management processes and digitalise the administration of housing purchases. Services of the business area are also used for compliance purposes, for instance to identify companies' beneficial owners and politically exposed persons.

SME and Consumers: Digital services for small and micro companies with easy-to-use applications and user interfaces for the evaluation of risks and sales potential, acquisition of other relevant information on customers and business partners and proof of own creditworthiness. Services for consumers help consumers to understand and better manage their finances, while simultaneously protecting them from identity theft and fraud.

SUMMARY

In this summary, the reported figures for the review period 1 January–30 June 2018 as well as the comparison figures for the periods 1 October–31 December 2017 and 1 January–31 December 2017 do not include UC's figures.

October – December 2018 in brief

- Net sales amounted to EUR 35,9 million (EUR 14,6 million), an increase of 146,4 %.
- Adjusted EBITDA excluding items affecting comparability was EUR 12,2 million (EUR 5,9 million), an increase of 105,7 %.
- Adjusted EBIT excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions was EUR 10,9 million (EUR 5,2 million), an increase of 110,9 %[1].
- Operating profit (EBIT) was EUR 7,1 million (EUR 4,7 million). Operating profit included items affecting comparability of EUR 0,8 million (EUR 0,3 million) mainly arising from expenses related to the integration of UC and redundancy-related expenses associated with the restructuring of operations, as well as amortisation from fair value adjustments of EUR 2,9 million (EUR 0,1 million) related to the acquisitions.
- New products and services accounted for 7,8 % (14,6 %) of net sales[2].
- Value-added services accounted for 80,4 % (67,5 %) of net sales[3].
- Free cash flow amounted to EUR 7,9 million (EUR 4,3 million). The impact of items affecting comparability on free cash flow was EUR -2,6 million (EUR -0,4 million)[4].
- Earnings per share were EUR 0,21 (EUR 0,23).
- Comparable earnings per share were EUR 0,30 (EUR 0,24)[5].

January – December 2018 in brief

- Net sales amounted to EUR 98,1 million (EUR 56,2 million), an increase of 74,6 %.
- Adjusted EBITDA excluding items affecting comparability was EUR 36,1 million (EUR 24,8 million), an increase of 45,5 %.
- Adjusted EBIT excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions was EUR 32,0 million (EUR 22,0 million), an increase of 45,9 %[1].
- Operating profit (EBIT) was EUR 16,7 million (EUR 21,2 million). Operating profit included items affecting comparability of EUR 9,4 million (EUR 0,5 million) mainly resulting from UC acquisition-related M&A and integration expenses and redundancy-related expenses as well as amortisation from fair value adjustments of EUR 5,9 million (EUR 0,2 million) related to the acquisitions.
- New products and services accounted for 8,8 % (14,6 %) of net sales[2].
- Value-added services accounted for 77,4 % (69,2 %) of net sales[3].
- Free cash flow amounted to EUR 15,9 million (EUR 16,5 million). The impact of items affecting comparability on free cash flow was EUR -8,5 million (EUR -0,5 million)[4].
- Earnings per share were EUR 0,56 (EUR 1,06).
- Comparable earnings per share were EUR 0,78 (EUR 1,07)[5].
- The Board of Directors proposes to the Annual General Meeting to be held on 28 March 2019 that funds amounting to EUR 0,95 per share be distributed from the Group's distributable funds.

KEY FIGURES

EUR million	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Net sales	35,9	14,6	98,1	56,2
Net sales growth, %	146,4	15,4	74,6	14,3
Operating profit (EBIT)	7,1	4,7	16,7	21,2
EBIT margin, %	19,8	32,6	17,0	37,8
Adjusted EBITDA[6]	12,2	5,9	36,1	24,8
Adjusted EBITDA margin, %[6]	34,0	40,8	36,8	44,2
Adjusted operating profit (EBIT)[1, 6]	10,9	5,2	32,0	22,0
Adjusted EBIT margin, %[1, 6]	30,2	35,3	32,7	39,1
New products and services of net sales, %[2]	7,8	14,6	8,8	14,6
Free cash flow[4]	7,9	4,3	15,9	16,5
Net debt to adjusted EBITDA, x[7]	pro forma 3,3	2,1	pro forma 3,3	2,1

[1] The method used for calculating the adjusted operating profit (EBIT), the reported adjusted operating profit (EBIT) for the first quarter and the comparison figures for the period 1 October–31 December 2017 and the financial year 2017 have been changed from 1 April 2018 so that also amortisation from fair value adjustments related to the acquisitions and external expenses arising from significant regulatory changes are taken into account as items to be adjusted.

[2] The method used for calculating the share of new products and services, comparison data for the period 1 October–31 December 2017 and the financial year 2017 have been changed starting from 1 January 2018 so that the share includes the total sales of products launched during the past 24 months. Previously, the share was calculated as the net sales for products and services launched during the past 12 months added by the change in net sales for products and services launched during the preceding 12 months.

[3] The services of Emaileri Oy have been included in value-added services starting 1 April 2018 and they have been retroactively added to reported first quarter value-added services.

[4] The method used for calculating the free cash flow and the comparison figures for the period 1 October–31 December 2017 and the financial year 2017 have been changed from 1 January 2018 so that the impact of paid taxes is no longer added to the cash flow of business operations.

[5] The comparable earnings per share do not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

[6] The adjusted key ratios are calculated by adjusting the key ratios with the following items affecting comparability: M&A and integration related expenses, redundancy payments, compensations paid and external expenses arising from significant regulatory changes.

[7] For the fourth quarter and the review period, the net debt to adjusted EBITDA has been calculated by dividing the net debt of the consolidated statement of financial position at 31 December 2018 by the pro forma adjusted EBITDA of the past 12 months.

The figures in the pro forma summary for the review period 1 January–31 December 2018 and the comparison periods 1 January–31 December 2017 and 1 October–31 December 2017 are presented as pro forma figures, as if the acquisition of UC had taken place already at the beginning of 2017. The second half figures for 1 July–31 December 2018 are presented as actual reported figures.

PRO FORMA OCTOBER – DECEMBER 2018 IN BRIEF

- Net sales amounted to EUR 35,9 million (EUR 34,6 million), an increase of 3,9 % (at comparable exchange rates an increase of 7,1 %).
- Adjusted EBITDA excluding items affecting comparability was EUR 12,2 million (EUR 10,7 million), an increase of 14,7 % (at comparable exchange rates an increase of 17,4 %).
- Adjusted EBIT excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions was EUR 10,9 million (EUR 9,6 million), an increase of 12,7 %.
- Operating profit (EBIT) was EUR 7,1 million (EUR 5,7 million). Operating profit included items affecting comparability of EUR 0,8 million (EUR 1,1 million) and amortisation from fair value adjustments related to the acquisitions of EUR 2,9 million (EUR 2,8 million).
- The share of new products and services of net sales was 7,8 % (8,2 %).
- Earnings per share were EUR 0,21 (EUR 0,16).
- Comparable earnings per share were EUR 0,30 (EUR 0,26)[1].

PRO FORMA JANUARY – DECEMBER 2018 IN BRIEF

- Net sales amounted to EUR 134,3 million (EUR 129,6 million), an increase of 3,6 % (at comparable exchange rates an increase of 7,3 %).
- Adjusted EBITDA excluding items affecting comparability was EUR 42,1 million (EUR 43,1 million), a decrease of 2,4 % (at comparable exchange rates an increase of 0,3 %).
- Adjusted EBIT excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions amounted to EUR 37,7 million (EUR 39,6 million), a decrease of 5,0 %.
- Operating profit (EBIT) was EUR 19,2 million (EUR 20,9 million). Operating profit included items affecting comparability of EUR 7,3 million (EUR 7,5 million) and amortisation from fair value adjustments related to the acquisitions of EUR 11,1 million (EUR 11,2 million).
- The share of new products and services of net sales was 7,8 % (8,3 %).
- Earnings per share were EUR 0,54 (EUR 0,56).
- Comparable earnings per share were EUR 0,90 (EUR 0,93)[1].

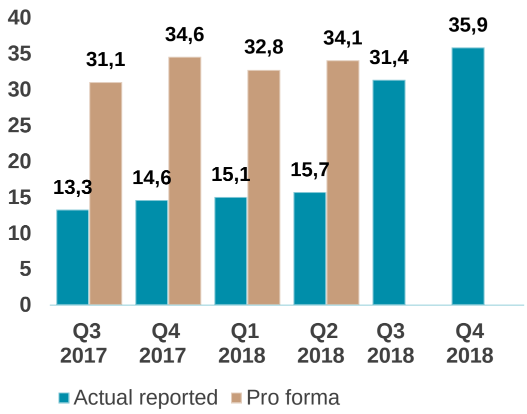
PRO FORMA KEY FIGURES

EUR million	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Net sales	35,9	34,6	134,3	129,6
Net sales growth, %	3,9	n/a	3,6	n/a
Operating profit (EBIT)	7,1	5,7	19,2	20,9
EBIT margin, %	19,8	16,5	14,3	16,1
Adjusted EBITDA	12,2	10,7	42,1	43,1
Adjusted EBITDA margin, %	34,0	30,8	31,3	33,2
Adjusted operating profit (EBIT)	10,9	9,6	37,7	39,6
Adjusted EBIT margin, %	30,2	27,9	28,1	30,6
New products and services of net sales, %	7,8	8,2	7,8	8,3
Net debt to adjusted EBITDA, x[2]	3,3	n/a	3,3	n/a

[1] The comparable pro forma earnings per share does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

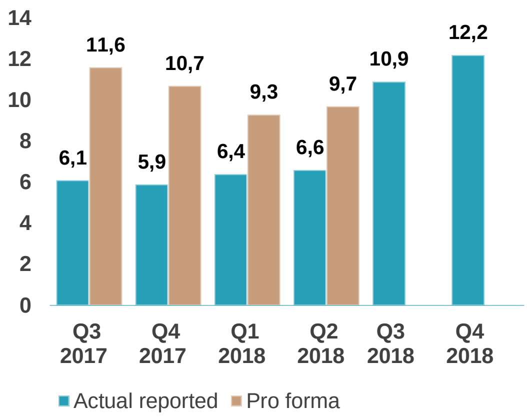
[2] The net debt to adjusted EBITDA has been calculated by dividing the net debt of Asiakastieto Group's consolidated statement of financial position at 31 December 2018 by the pro forma adjusted EBITDA of the past 12 months.

Net sales, EUR million



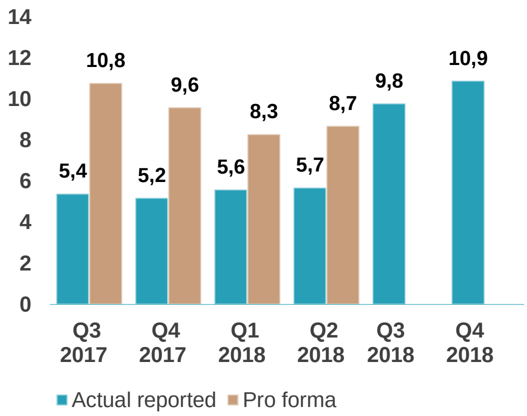
- Pro forma growth of net sales in the fourth quarter of 2018 compared with the corresponding quarter of 2017 was 3,9 % at reported exchange rates and 7,1 % at comparable exchange rates.
- The strong development of net sales from consumer-related risk management services continued in the fourth quarter.

Adjusted EBITDA, EUR million



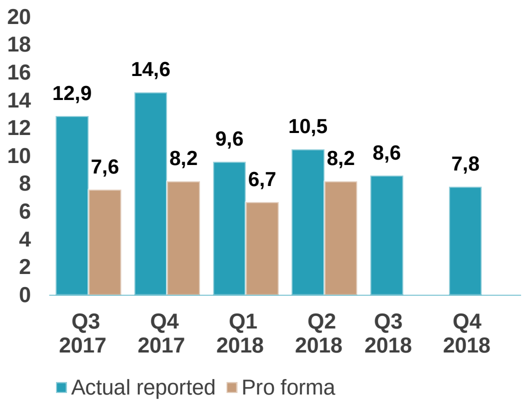
- Compared with the pro forma-adjusted EBITDA for the corresponding quarter of 2017, adjusted EBITDA for the fourth quarter of 2018 increased by 14,7 % at reported exchange rates and 17,4 % at comparable exchange rates.
- Adjusted EBITDA was increased year-on-year by the positive development of net sales, the level of personnel expenses being lower than planned as well as other operating expenses developing moderately in relation to the growth of net sales, which was due to actions taken to leverage synergies.
- The growth of net sales was again more concentrated on services involving a variable data acquisition cost.
- Adjusted EBITDA margin was 34,0 % (30,8 %).

Adjusted operating profit (EBIT), EUR million



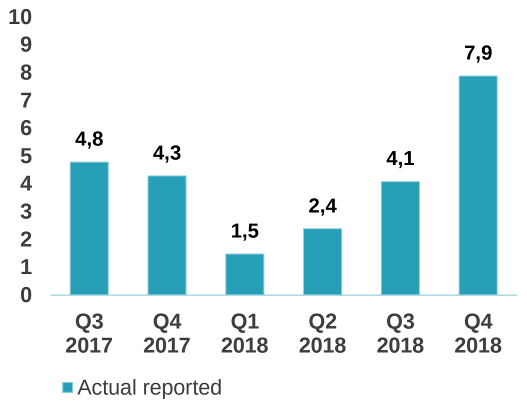
- Compared with pro forma-adjusted operating profit (EBIT) in the corresponding quarter of 2017, adjusted operating profit in the fourth quarter of 2018 increased by 12,7 %.
- Amortisation related to capitalised development costs increased from the pro forma comparison period.
- A writedown of capitalised product development expenses was recognised in the fourth quarter, which had an effect of EUR -0,2 million on adjusted operating profit.
- Adjusted EBIT margin was 30,2 % (27,9 %).

New services' share of net sales, %



- New services accounted for 7,8 % of net sales in the fourth quarter.
- Eleven new services were launched in the fourth quarter.

Free cash flow, EUR million



- Items affecting comparability decreased the cash flow from operating activities in the fourth quarter by EUR 2,6 million. The items affecting comparability consisted of M&A expenses related to the UC acquisition, the majority of which were already recognised in the first half of the financial year, as well as redundancy-related payments arising from operational restructuring.

FUTURE OUTLOOK

Net sales: Asiakastieto Group expects its net sales growth in 2019 to be in the middle of the range of its long-term target (5–10 %) or slightly below it compared to the previous year's pro forma net sales.

EBITDA: Asiakastieto Group expects its adjusted EBITDA, excluding the effect of IFRS 16 transition, to grow in 2019 at a percentage rate that exceeds the rate of net sales growth compared to the previous year's pro forma adjusted EBITDA.

Capital expenditure: Asiakastieto Group expects its capitalised product development and software expenses in 2019 to exceed the previous year's level on a pro forma basis.

JUKKA RUUSKA, CEO

"Asiakastieto Group grew in line with our expectations in the final quarter of the financial year 2018. Net sales increased at comparable exchange rates by 7,1 % to EUR 35,9 million. The Group's net sales were increased by new services launched in both markets, which accounted for 7,8 % of the net sales for the fourth quarter. In addition, growth was achieved particularly in the consumer credit services of the Risk Decisions business area. Adjusted EBITDA saw exceptionally strong growth of 17,4 % at comparable exchange rates and amounted to EUR 12,2 million. The factors behind the increase included the lower level of personnel expenses, which was due to efficiency improvement measures and the large number of vacancies.

The pro forma net sales of Asiakastieto Group Plc for the financial year 2018 amounted to EUR 134,3 million, an increase of 7,3 % at comparable exchange rates. The share of new products and services of net sales for the year was 7,8 % (8,3 %). The euro-denominated EBITDA remained on a par with 2017 at comparable exchange rates, while adjusted EBITDA increased by 0,3 per cent to EUR 42,1 million.

The year 2018 will be remembered for the merger between Asiakastieto and the Swedish company UC AB, which was completed at the end of June. The merger represents a strategically important step for Asiakastieto. It creates a strong and balanced foundation for the Group to grow to become one of the leading Nordic producers of digital services and data innovations. The merger has progressed as planned and, following a successful integration planning phase, we resumed normal operations under the new organisational structure on 1 October 2018.

Although the amount of service development was lower than in 2017 due to the integration phase, we launched 19 new services in the Finnish and Swedish markets in the second half of 2018 in response to our customers' needs. Among other things, we strengthened our Nordic compliance service offering by launching the Beneficial Owner service in the Swedish market. As part of the prevention of money laundering and terrorist financing, it is necessary to identify the beneficial owners of companies. Determining the identities of the people behind enterprises is a laborious and difficult task when done manually, but our service makes the process automatic. Another significant service is Growth Indicator. Based on statistical modelling, it uses structured and unstructured data to predict the rate at which a company's net sales will increase in the future.

The scope of positive credit information—which is essential for responsible lending—will take a major step forward in Finland, with several banks set to join the Consumer Credit Inquiry System maintained by Asiakastieto Group. Aktia Bank, Bonum Bank (the central credit institution of POP Banks) and nearly 40 consumer credit companies are already using the system. Danske Bank A/S Finnish branch, Danske Finance Oy and the Central Bank of Savings Banks have also indicated their intention to join the system."

NET SALES

The figures indicating net sales for the review period 1 January–31 December 2018 and the reference periods 1 January–31 December 2017 and 1 October–31 December 2017 are presented as pro forma figures, as if the acquisition of UC had taken place already at the beginning of 2017. The fourth-quarter figures for 2018 are presented as actual reported figures. The actual figures for the review period and the fourth quarter and their comparison figures are presented in the Condensed Financial Statements section of this financial statement release.

October – December (actual reported 2018 vs. pro forma 2017)

Asiakastieto Group's net sales in the fourth quarter amounted to EUR 35,9 million (EUR 34,6 million), increasing by 3,9 % at reported exchange rates and 7,1 % at comparable exchange rates compared with the corresponding quarter of the previous year. Net sales from new products and services were EUR 2,8 million (EUR 2,8 million), representing 7,8 % (8,2 %) of the total net sales for the fourth quarter. In addition to new services, the drivers of net sales growth included the strong development of the sales of consumer-related risk management services in Risk Decisions and the robust development of the Digital Processes business area, which was attributable to, among other things, the Swedish launch of the Tambur service, which makes it possible to digitalise the housing sales process. Net sales development was negatively affected by the decision made at the beginning of 2018 to discontinue selling B2C customer management services in Sweden. In Sweden, the number of banking days was lower than in the comparison period by one day.

Net sales of the Risk Decisions business area amounted to EUR 23,1 million (EUR 21,6 million) in the fourth quarter. Compared with the corresponding quarter in the previous year, net sales of the business area increased by 7,0 % at reported exchange rates and 10,1 % at comparable exchange rates. Demand for consumer-related risk management services continued to see strong growth in the fourth quarter both in Finland and Sweden. The increase in demand was driven by the good general economic situation and confidence among consumers as well as continued growth in the granting of consumer credit. The Christmas season was clearly reflected in demand, and a single-day record in consumer information inquiries was reached on the day of the Black Friday campaign. Demand was also favourably influenced by the growth of information used for establishing new customer relationships. The strong growth of positive credit information of consumers continued. New operators have joined the positive information system in Finland, and demand for more extensive information has increased. Customer gains achieved are also reflected in development of sales, and growth was supported by new services.

Net sales of the Customer Data Management business area amounted to EUR 2,5 million (EUR 2,9 million) in the fourth quarter. The business area's net sales decreased by 14,3 % at reported exchange rates and 12,2 % at comparable exchange rates compared with the corresponding quarter in the previous year. The decision made at the beginning of 2018 to discontinue selling B2C customer management services in Sweden resulted in a significant decrease in net sales compared with the reference period.

Net sales of the Digital Processes business area amounted to EUR 2,0 million (EUR 1,6 million) in the fourth quarter. Compared with the corresponding quarter in the previous year, net sales of the business area increased by 22,5 % at reported exchange rates and 24,2 % at comparable exchange rates. The business area's growth in the fourth quarter was particularly driven by the Tambur service, which was launched in Sweden during the first half of the year. The demand for property information services and compliance services in Finland also developed favourably.

Net sales of the SME and Consumers business area amounted to EUR 8,3 million (EUR 8,5 million) in the fourth quarter. The business area's net sales decreased by 1,4 % at reported exchange rates but grew by 2,6 % at comparable exchange rates compared with the corresponding quarter in the previous year. The development of the business area's net sales in the fourth quarter was influenced by the strong growth in Finland of service packages targeted at the SME segment and the positive development of online consumer services in Sweden.

January – December (pro forma)

Asiakastieto Group's pro forma net sales in the review period amounted to EUR 134,3 million (EUR 129,6 million), an increase of 3,6 % year-on-year at reported exchange rates and 7,3 % at comparable exchange rates. Pro forma net sales from new products and services were EUR 10,5 million (EUR 10,7 million), representing 7,8 % (8,3 %) of the total net sales for the period. The drivers of net sales included, in particular, the strong development of consumer-related risk management services in Risk Decisions, the consolidation of Emaileri Oy to Group accounts from 1 October 2017 and the robust development of services sold to consumers and the SME segment. Another factor with a positive impact on net sales was the Swedish launch of the Tambur service, which enables the digitalisation of the housing sales process, during the first half of the year. Net sales development was negatively affected by the decision made in January 2018 to discontinue selling B2C customer management services in Sweden. The number of banking days during the period was the same as in the previous year in both of the Group's main markets.

Pro forma net sales of the Risk Decisions business area in the review period amounted to EUR 88,0 milllion (EUR 83,9 million). The business area's net sales increased by 4,9 % year-on-year at reported exchange rates and increased by 8,5 % at comparable exchange rates. Demand for consumer-related risk management services continued to see strong growth during the period in both Finland and Sweden. Growth in consumer related credit markets and increase in commercial volume strengthened the demand for consumer information services, but the development of company credit market was weaker than anticipated in both market areas. Demand for positive credit information continued strong in the review period. The coverage of positive credit information is very high in the Swedish market, while there is still growth potential in the Finnish market. Also in Finland, positive credit information has now developed into a significant factor in the granting of consumer credit. The growth of the business area was supported by commercial success of new products and services.

Pro forma net sales of the Customer Data Management business area in the review period amounted to EUR 9,5 million (EUR 10,5 million). The business area's net sales decreased by 9,5 % year-on-year at reported exchange rates and by 6,4 % at comparable exchange rates. The consolidation of Emaileri Oy's figures had a positive effect on net sales development of the business area in the review period. On the other hand, the decision made in January 2018 to discontinue selling B2C customer management services in Sweden resulted in a significant decrease in net sales compared with the reference period. Based on our assessment the implementation of the EU Data Privacy Regulation in May had a negative impact on the demand of Customer Data Management services due to uncertainty in companies relating to the impact of the new regulation on information used for targeted marketing.

Pro forma net sales of the Digital Processes business area in the review period amounted to EUR 7,6 million (EUR 6,2 million). The business area's net sales increased by 22,1 % year-on-year at reported exchange rates and by 24,1 % at comparable exchange rates. Growth drivers in the business area in the review period included, in particular, the launch of the Tambur service in Sweden (in April 2018) as well as increased demand for compliance services and housing valuation services. The demand for property information services and compliance services in Finland also developed favourably. Other factors included continuous service development towards a more comprehensive product range and active sales effort for services.

Pro forma net sales of the SME and Consumers business area in the review period amounted to EUR 29,2 million (EUR 29,0 million). The business area's net sales increased by 0,5 % year-on-year at reported exchange rates and by 5,0 % at comparable exchange rates. The growth of net sales was particularly driven by the good sales development of online consumer services in Sweden and service packages for the SME segment in Finland.

FINANCIAL RESULTS

The figures indicating financial performance in the review period 1 January–31 December 2018 and the comparison periods 1 January–31 December 2017 and 1 October–31 December 2017 are presented as pro forma figures, as if the acquisition of UC had taken place already at the beginning of 2017. The fourth-quarter figures for 2018 are presented as actual reported figures. The actual figures for the review period and the fourth quarter and their comparison figures are presented in the Condensed Financial Statements section of this financial statement release.

October – December (actual reported 2018 vs. pro forma 2017)

Asiakastieto Group's operating profit (EBIT) for the fourth quarter amounted to EUR 7,1 million (EUR 5,7 million). Operating profit included items affecting comparability of EUR 0,8 million (EUR 1,1 million), mainly resulting from integration expenses relating to the acquisition of UC and redundancy expenses related to the reorganisation of operations.

Fourth-quarter adjusted EBITDA excluding items affecting comparability was EUR 12,2 million (EUR 10,7 million). Adjusted EBITDA increased by EUR 1,6 million at reported exchange rates and by EUR 1,8 million at comparable exchange rates.

Adjusted operating profit (EBIT) excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions was increased by EUR 1,2 million in the fourth quarter to EUR 10,9 million (EUR 9,6 million). Adjusted EBIT margin for the fourth quarter improved compared with the corresponding quarter in the previous year. The improvement in the adjusted EBIT margin was attributable to net sales growth, the lower-than-planned level of personnel expenses and a decrease in expenses associated with external temporary labour. The actions taken to leverage synergies reduced personnel expenses and other operating expenses in the fourth quarter compared to the reference period. However, the development was still affected by net sales increasing mainly for services that involve a variable data acquisition cost, and IT development projects recognised as annual expense representing a large proportion of development projects. Amortisation related to capitalised development costs increased compared with the corresponding quarter in the previous year.

The Group's depreciation and amortisation in the fourth quarter amounted to EUR 4,3 million (EUR 3,8 million). Of the depreciation and amortisation, EUR 2,9 million (EUR 2,8 million) resulted from amortisation from fair value adjustments related to the acquisitions. A writedown of capitalised product development expenses was recognised in the fourth quarter, which had an effect of EUR 0,2 million on depreciation and amortisation.

Net financial expenses in the fourth quarter were EUR 0,8 million (EUR 0,7 million). In conjunction with refinancing of long-term loans, a writedown was recognised in relation to the uncapitalised portion of arrangement expenses related to old loans, which had an effect of EUR 0,2 million on financial expenses.

The Group's profit before income taxes for the fourth quarter was EUR 6,3 million (EUR 5,0 million).

The tax amount booked as expense for the fourth quarter was EUR -1,4 million (EUR -1,1 million).

The Group's profit for the fourth quarter was EUR 4,9 million (EUR 3,9 million).

January – December (pro forma)

Asiakastieto Group's pro forma operating profit (EBIT) in the review period amounted to EUR 19,2 million (EUR 20,9 million). Operating profit included items affecting comparability of EUR 7,3 million (EUR 7,5 million), mainly resulting from M&A and integration expenses related to the acquisition of UC, redundancy expenses related to the reorganisation of operations and external expenses resulting from significant changes in regulation (GDPR).

Adjusted pro forma EBITDA for the review period excluding items affecting comparability amounted to EUR 42,1 million (EUR 43,1 million). Adjusted pro forma EBITDA decreased by EUR 1,0 million at reported exchange rates but increased by EUR 0,1 million at comparable exchange rates.

Adjusted pro forma operating profit (EBIT) excluding items affecting comparability and amortisation from fair value adjustments related to the acquisitions amounted to EUR 37,7 million (EUR 39,6 million). Adjusted EBIT decreased by EUR 2,0 million. Adjusted EBIT margin for the review period decreased compared with the corresponding period of the previous year. The high growth particularly in the volume of consumer information services increases data acquisition costs as the services involve a variable data acquisition cost. During the review period, IT development projects have increasingly concentrated on projects recognised as annual expenses, such as data security promotion, while in the reference period the focus of IT projects was on capitalisable development projects. This has affected both other operating expenses and the level of capitalisation of the Group's own development work (work performed by the entity and capitalised). Amortisation related to capitalised development costs increased compared with the corresponding period in the previous year.

The Group's pro forma depreciation and amortisation for the review period amounted to EUR 15,5 million (EUR 14,6 million). Of the depreciation and amortisation, EUR 11,1 million (EUR 11,2 million) resulted from amortisation from fair value adjustments related to the acquisitions.

Pro forma net financial expenses during the review period were EUR 3,1 million (EUR 3,0 million).

The Group's pro forma profit before income taxes for the review period was EUR 16,2 million (EUR 18,0 million).

The tax amount booked as expense for the review period was EUR -3,3 million (EUR -4,5 million).

The Group's pro forma profit for the review period was EUR 12,9 million (EUR 13,4 million).

CASH FLOW

In the review period, cash flow from operating activities amounted to EUR 19,5 million (EUR 19,9 million). The impact of change in Group's working capital on cash flow was EUR 0,2 million (EUR 0,0 million). The impact of items affecting comparability on operating cash flow was EUR -8,5 million (EUR -0,5 million).

The Group paid EUR 3,6 million (EUR 3,7 million) in taxes during the review period.

The cash flow from investing activities for the review period amounted to EUR -90,8 million (EUR -10,0 million). The impact of the acquisition of UC on cash flow from investing activities for the review period amounted to EUR -84,9 million. It consists of the cash portion of the purchase price deducted by cash and cash equivalents of UC as per acquisition date.

Cash flow from financing activities for the review period amounted to EUR 85,2 million (EUR -13,6 million). Cash flow from financing activities for the review period consisted mainly of the drawdown of a loan of EUR 99,6 million to finance the acquisition of UC and EUR 14,3 million (EUR 13,6 million) payment of dividend.

STATEMENT OF FINANCIAL POSITION

At the end of the review period, the Group's total assets were EUR 545,9 million (EUR 160,3 million). Total equity amounted to EUR 321,3 million (EUR 81,1 million) and total liabilities to EUR 224,6 million (79,2 million). Of the total liabilities, EUR 170,1 million (EUR 69,8 million) were non-current interest-bearing liabilities, EUR 25,5 million (EUR 0) deferred tax liabilities, EUR 4,4 million (EUR 0) non-current pension liabilities, EUR 0,0 million (EUR 0,7 million) non-current, non-interest-bearing liabilities, EUR 0,1 million (EUR 0) current, interest-bearing liabilities and EUR 24,4 million (EUR 8,8 million) current, non-interest-bearing liabilities. Goodwill amounted to EUR 348,7 million (EUR 118,4 million) at the end of the review period. The goodwill related to the acquisition of UC in the review period increased the Group's goodwill.

More detailed information on the impact of the UC acquisition on the Group's balance sheet and equity can be found under notes 2.3. Corporate acquisitions and 2.4. Equity.

Asiakastieto Group's cash and cash equivalents at the end of the review period were EUR 33,2 million (EUR 18,9 million), and net debt was EUR 137,0 million (EUR 50,9 million).

CAPITAL EXPENDITURE

The majority of Asiakastieto Group's capital expenditure is related to the development of products and services as well as investments in IT infrastructure. Other capital expenditure mainly comprises purchases of company cars and office equipment. The Group's gross capital expenditure in the review period amounted to EUR 5,5 million (EUR 4,3 million). Capital expenditure on intangible assets was EUR 4,6 million (EUR 2,9 million) and capital expenditure on tangible assets was EUR 0,9 million (EUR 1,5 million).

The product development activities of Asiakastieto Group involve development of the product and service offering. During the review period, the capitalised development and software costs of the Group amounted to EUR 4,6 million (EUR 2,9 million). The Group had no material research activities.

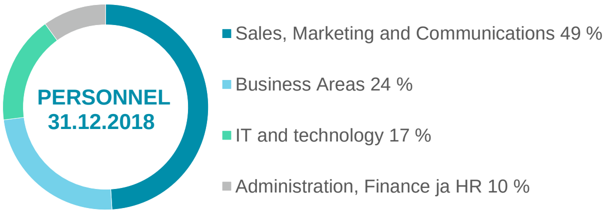
During the review period, Asiakastieto Group's pro forma gross investments[1] amounted to EUR 8,9 million (EUR 14,3 million). Pro forma capital expenditure on intangible assets was EUR 7,7 million (EUR 12,7 million) and pro forma capital expenditure on tangible assets was EUR 1,2 million (EUR 1,6 million).

[1] Pro forma gross investments have been calculated by combining the historical capital expenditures of Asiakastieto Group and UC during the half year period 1 January–30 June 2018, adding the Group's actual reported gross investments during the period 1 July–31 December 2018 and combining the historical capital expenditures of Asiakastieto Group and UC during the reference period 1 January–31 December 2017. Gross investments are fixed asset acquisitions with long-term effect, from which no sales of property or disposal of business have been deducted.

PERSONNEL

The average number of personnel employed by Asiakastieto Group during the final quarter of the year was 453 (156) and during the 2018 financial year 315 (153). At the end of the review period, the number of personnel was 447 (158), of whom 164 (158) worked in the Group's companies in Finland and 283 (0) in the Swedish companies.

During the review period, the personnel expenses of the Group amounted to EUR 26,8 million (EUR 12,6 million) and included an accrued cost of EUR 415 thousand (EUR 464 thousand) from the management's long-term incentive plan. See further details in the section 2.7. Transactions with related parties in the notes to the condensed financial statements. Transactions with related parties.



Key figures describing the Group's personnel:

PERSONNEL	1.10 – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Average number of personnel	453	156	315	153
Full time	443	151	305	148
Part time and temporary	10	5	10	5
Wages and salaries for the period (EUR million)	7,4	3,0	20,2	10,4

OTHER EVENTS DURING THE REVIEW PERIOD

Asiakastieto Group Plc's General Meeting of shareholders on 22 March 2018

The General Meeting of shareholders held on 22 March 2018 confirmed the financial statements for the financial period ended on 31 December 2017, and discharged the members of the Board of Directors and the Chief Executive Officer from liability.

The Meeting approved the Board of Directors' proposal to pay a dividend of EUR 0,95 per share. The dividend was paid to shareholders registered in the Company's shareholder register held by Euroclear Finland Ltd on the payment record date of 26 March 2018. The dividend was decided to be paid on 4 April 2018.

The General Meeting of shareholders decided that the annual remuneration is EUR 40 000 for the chairman of the Board of Directors and EUR 25 000 for the members. No separate fees will be paid for meetings. The Chairmen of the Committees shall receive an attendance fee of EUR 500 and members of the Committees EUR 400 per committee meeting. No remuneration is paid to the members of the Shareholders' Nomination Board. Reasonable travel expenses for the attendance to the meetings are paid to the members.

In accordance with the proposal of the Shareholders' Nomination Board, Petri Carpén, Bo Harald, Patrick Lapveteläinen, Carl-Magnus Månsson and Anni (Anna-Maria) Ronkainen were re-elected as members of the Board of Directors.

Authorised Public Accountants firm PricewaterhouseCoopers Oy was elected as the auditor of the Company, and Authorised Public Accountant Martin Grandell as the auditor in charge.

The Annual General Meeting decided to amend Section 8 of the Articles of Association in accordance with the amendment to the Audit Act, so that the Company's auditor must be an audit firm approved by the Board of Patents and Registration of Finland. In addition, Section 10 of the Articles of Association was decided to be amended in accordance with the amendment of the Companies Act so that the invitation to the Annual General Meeting must be published on the Company's website no earlier than three months before the record date of the General Meeting and no later than three weeks prior to the meeting, however, at least nine days before the said record date.

Authorisation for issue of shares

The Annual General Meeting authorised the Board of Directors to resolve on one or more issuances, which contain the right to issue new shares or dispose of the shares in the possession of the company. The authorisation would consist of up to 1 000 000 shares in the aggregate. The Board of Directors was authorised to decide on a directed issue. The authorisation is proposed to be used for material arrangements from the company's point of view, such as financing or implementing business arrangements or investments or for other such purposes determined by the Board of Directors in which case a weighty financial reason for issuing shares would exist.

The Board of Directors was authorised to resolve on all other terms and conditions of the issuance of shares, including the payment period, grounds for the determination of the subscription price and subscription price or allocation of shares free of charge or that the subscription price may be paid besides in cash also by other assets either partially or entirely.

The authorisation is effective for 18 months from the close of the Annual General Meeting. The authorisation cancelled the corresponding share issue authorisation granted to the Board of Directors by the Annual General Meeting on 30 March 2017.

The Board of Directors of Asiakastieto Group Plc resolved on 4 May 2018 on a directed share issue related to the reward payment from the performance period 2015–2018 of the Performance Share Plan 2015. The performance period has ended on 31 March 2018. In the share issue, 23 443 new Asiakastieto Group Plc shares are issued without consideration to the key employees participating in the Performance Share Plan 2015 in accordance with the terms and conditions of the plan. The resolution on the directed share issue is based on the authorisation granted to the Board of Directors by the Annual General Meeting of Shareholders held on 22 March 2018.

Authorisation for repurchasing own shares

The Annual General Meeting authorised the Board of Directors to decide on the repurchase of maximum of 1 000 000 company's own shares, in one or several instalments. The shares will be repurchased with the company's unrestricted shareholders' equity, and the repurchases will reduce funds available for the distribution of profits. The shares can be repurchased for example to develop the company's capital structure, carry out or finance potential corporate acquisitions or other business arrangements, to be used as a part of the company's incentive programme or to be otherwise conveyed further, retained as treasury shares, or cancelled.

Shares may be repurchased in accordance with the resolution of the Board of Directors also in a proportion other than in which shares are owned by the shareholders (directed acquisition), using funds belonging to the company's unrestricted equity and at the market price of the shares quoted on regulated market organized by Nasdaq Helsinki Ltd or otherwise established on the market at the time of the repurchase. The Board of Directors will decide how shares will be repurchased. Among other means, derivatives may be used in acquiring the shares. According to the authorisation, the Board of Directors decides on all other matters related to the repurchase of the shares.

The authorisation is effective for 18 months from the close of the Annual General Meeting. The authorisation cancelled the corresponding authorisation to repurchase the company's shares granted to the Board of Directors by the Annual General Meeting on 30 March 2017. The authorisation has not been used by 15 February 2019.

Meeting of the Board of Directors on 22 March 2018

The organizational meeting of the Board of Directors on 22 March 2018 elected among its members Patrick Lapveteläinen as Chairman of the Board of Directors and Bo Harald as Vice-Chairman of the Board of Directors.

The Board of Directors has in its organization meeting evaluated the independence of the Directors according to the Finnish Corporate Governance Code. The Board noted that all members of the Board are independent of the Company and all except Patrick Lapveteläinen are independent of the significant shareholders. The Board of Directors noted the Company is in compliance with the recommendation 10 of the CG Code.

The Board of Directors appointed Petri Carpén, Anni (Anna-Maria) Ronkainen and Carl-Magnus Månsson as members of the Audit Committee. All the members are independent of the Company and independent of significant shareholders. Petri Carpén was elected chairman of the committee.

Asiakastieto Group Plc's Extraordinary General Meeting 25 May 2018

In order to implement the transaction with UC AB described in Asiakastieto Group Plc's Stock Exchange Release published on 24 April 2018, the Extraordinary General Meeting decided, as proposed by the Board of Directors, to authorise the Board of Directors to decide on the issuance of shares for the purpose of the directed share issue as well as two elect two new Board members of the company and to amend the charter of the Shareholders' Nomination Board, conditional upon the completion of the transaction.

Authorisation for issue of shares

The Extraordinary General Meeting authorized the Board of Directors to decide on the issuance of new shares in deviation from the shareholders' pre-emptive rights by way of a directed issue. The Directed Share Issue shall be directed to the current shareholders of UC AB pro rata to the respective number of ordinary shares of UC AB sold in the Transaction. The number of shares to be issued in the Directed Share Issue could not exceed 8,828,343, which corresponded to approximately 58.5 percent of all the shares in Asiakastieto at that time, and would correspond to approximately 36.9 percent of all shares in Asiakastieto following the completion of the Transaction.

The Board of Directors was authorised to decide on all other conditions of the Directed Share Issue, including the grounds for determining the subscription price and the subscription price as well as that the subscription price may be paid besides in cash also by other assets either partially or entirely.

The authorization was valid until 31 December 2018, and it did not revoke the authorization of the Board of Directors to decide on the issuance of shares as granted by the Annual General Meeting on 22 March 2018.

Number and election of members of the Board of Directors

In accordance with the proposal of the Board of Directors, the Extraordinary General Meeting resolved, conditional upon the completion of the Transaction, that the number of members of the Board of Directors to be seven and that two new members of the Board of Directors be elected.

Martin Johansson and Nicklas Ilebrand were elected as new members of the Board of Directors, both of them for a term that will start on the date of closing of the Transaction as set forth in the agreement concerning the Transaction and continue until the close of the next Annual General Meeting.

The new members of the Board of Directors shall be paid annual fees in proportion to the length of their term of office. A member of the Board of Directors may decide to decline the annual fees and/or meeting fees payable by the company.

Amendment of the Charter of the Shareholders' Nomination Board

In accordance with the proposal of The Board of Directors the Extraordinary General Meeting resolved, conditional upon the completion of the Transaction, to amend the Charter of the Shareholders' Nomination Board. The amendments concern the date, whereby the representatives to be elected to the Nomination Board and largest shareholders are determined.

"Section 2 Composition and Election of the Nomination Board" of the Charter of the Shareholder's Nomination Board is amended so that three of the members of the Nomination Board represent the

Company's three largest shareholders who, on 30 September preceding the next Annual General Meeting, hold the largest number of votes calculated of all shares in the Company.

"Section 2.1 Largest shareholders and their rights" is amended so that the largest shareholders of the Company on 30 September are determined on the basis of the shareholders' register of the Company held by Euroclear Finland Ltd, and holdings of a shareholders, who has flagging obligation, will be summed up when calculating the share of all the voting rights, provided that the shareholder presents a written request to that effect to the Chairperson of the Company's Board of Directors no later than on 29 September preceding the next Annual General Meeting.

In accordance with the proposal of the Board of Directors the Extraordinary General Meeting also resolved, conditional upon the completion of the Transaction, that in deviation from the new dates proposed above that in 2018 the largest shareholders of the Company, for the purposes of Sections 2 and 2.1 of the Shareholders' Nomination Board Charter, would be determined as at 9 November 2018, and, for the purposes of paragraph 2 of Section 2.1, the written request for aggregation of holdings should be presented no later than on 8 November 2018.

Changes in Asiakastieto Group's organisation structure and Executive team

Terhi Kauppi, M.Sc. (Econ), left her position as CFO of Asiakastieto Group Oyj 9 on May 2018 after which she pursued new challenges outside Asiakastieto Group.

Antti Kauppila, M.Sc. (Econ.) was appointed Asiakastieto Group's acting CFO and member of the Executive Team from 9 May 2018. Antti Kauppila has worked in the company since August 2017.

Asiakastieto Group's Board of Directors decided on 20 June 2018 on a new organisational structure and Executive Team. Starting from 1 July 2018, the company's organisation consists of business areas and functional units. The new business areas are Risk Decisions, Customer Data Management, Digital Processes and SME and Consumers. The functional units are Sales Units, Marketing and Communications, IT and Technology, HR and Finance.

The composition of the new Executive team according to spheres of responsibility from 1 July 2018 on is: Jukka Ruuska (CEO), Anders Hugosson (deputy CEO), Antti Kauppila (Finance), Heikki Koivula (Risk Decisions), Esa Kumpu (Customer Data Management), Heikki Ylipekkala (Digital Processes), Siri Bengtsson (SME and Consumers), Mikko Karemo (Sales Units), Victoria Preger (Marketing and Communications), Jari Julin until 31 August 2018 and Anders Hugosson from 1 September 2018 on (IT and Technology) and Eleonor Öhlander (HR).

Asiakastieto's Deputy CEO Anders Hugosson has been appointed as the acting CIO of Asiakastieto Group as of 10 August 2018 in addition to his current role. The former CIO of Asiakastieto Group, Jari Julin, will be responsible for the IT and Technology unit in Finland. Following the change, he will not be part of Asiakastieto Group's Executive Team from 1 September 2018.

Karl-Johan Werner will take charge of Asiakastieto Group's Customer Data Management business area at the end of March 2019 at the latest. On taking up his post, he will replace Esa Kumpu on the Executive Team. Esa Kumpu will continue at Asiakastieto Group in a position to be confirmed later.

Employer/employee negotiations concerning the new organisation

Asiakastieto Group and UC are building one of the leading Nordic companies providing digital services and data innovations. As part of this process, on 14 August 2018, Asiakastieto Group Plc announced the plan to reorganise its operations both in Finland and Sweden to gain efficiencies.

On 24 September 2018, Asiakastieto Group completed the employer/employee negotiations concerning the planned new organisation as required by Finnish and Swedish law, and the internal implementation of the new organisation began. The planned gross headcount decrease will be executed in three different ways, as described in the stock exchange release published on 14 August 2018: natural retreat, offer for retirement and redundancies. During the full year 2018, the gross headcount will decrease by approximately 40 jobs.

Asiakastieto Group will operate in accordance with the new organisation from 1 October 2018. The new organisation is planned to be integrated. It is expected to increase efficiency in terms of business development and customer experience and promote cost efficiency. The criteria for the new organisation include the creation of a completely integrated Nordic company with clearly defined roles and responsibilities as well as distinct interfaces for providing support and cooperation. The structure is a matrix organisation, which comprises the business areas and functional units, with profit responsibility lying with the business areas. The second criteria was to centralise the operations as efficiently as possible and to establish a low organisational structure with a maximum of four levels, including the CEO.

Asiakastieto Group is estimated to achieve at least EUR 17 million of synergy benefits a year. This estimate is based on the preliminary assessment of integration synergies as well as further analyses to identify synergy opportunities. The measures concerning the organisation were part of the implementation of cost synergies. Full synergy benefits are expected to be realised by 2021.

EVENTS AFTER THE REVIEW PERIOD

Asiakastieto Group outsources its telemarketing unit in Sweden

Asiakastieto Group Plc and UC Affärsfakta AB have signed a letter of intent on the outsourcing of their telemarketing unit on 16 January 2019. According to the letter of intent, Asiakastieto will transfer the telesales operations practised by Affärsfakta to the company founded by the unit's current management. By outsourcing, Asiakastieto increases its efficiency and encourages entrepreneurial operating methods.

Affärsfakta currently has approximately 120 employees and it operates in four locations in Sweden. In connection with the outsourcing move, the employees will be transferred to the new company with their current benefits and obligations, and the unit's present Managing Director Krister Ahlberg will continue to lead the company. The intention is to sign the outsourcing contract during the first quarter of 2019, and the outsourcing is planned to be finalised by the end of the third quarter of the year, at the latest.

Asiakastieto Group acquires the business of Solidinfo.SE and strengthens company information services in Sweden

UC Affärsinformation AB, part of Asiakastieto Group, has signed an agreement to acquire the business and assets of Solidinfo.SE from Social Media Support Sverige AB. The agreement was signed on 12 February 2019 and the transaction will be closed on 28 February 2019. The price of the transaction will not be published.

The net sales of Social Media Support Sverige AB for the financial year 2017 amounted to EUR 0,4 million. The core of Solidinfo.SE services is a website that provides free business information similar to UC Affärsinformation AB's online service, offering company and financial information on Swedish companies.

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 maintained by Euroclear Finland Ltd.

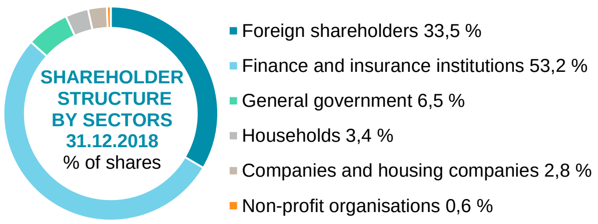
A total of 23 443 new shares were subscribed for in Asiakastieto Group Plc's share issue directed to the company key personnel without payment. The shares were registered into the Trade Register on 29 May 2018. After the registration, the company's shares totalled 15 125 621. The new shares produce the right to dividends and other distribution of assets as well as other shareholder rights as of the registration date 29 May 2018. The trading of new shares commenced on 30 May 2018.

Asiakastieto Group Plc issued 8 828 343 new shares as part of the consideration for the acquisition of UC AB. The consideration shares were registered in the Trade Register on 29 June 2018, after which the total number of the company's shares increased to 23 953 964 shares. All shares carry equal voting rights. On 10 September 2018, the Financial Supervisory Authority approved the listing prospectus prepared by the company. On 11 September 2018, Nasdaq Helsinki Ltd approved the listing of the new shares. Trading in the new shares commenced on 12 September 2018.

The listing prospectus prepared by Asiakastieto Group Plc is available on the company website at investors.asiakastieto.fi/listalleottoesite2018/, at the company's registered office at Hermannin rantatie 6, 00580 Helsinki, Finland and at the Nasdaq Helsinki Ltd's service point at Fabianinkatu 14, 00100 Helsinki, Finland.

On 31 December 2018, the total number of shares was 23 953 964 (15 102 178), and the share capital of the Company amounted to EUR 80 000 (EUR 80 000).

According to the book-entry securities system, the Company had 2 546 (2 470) shareholders on 31 December 2018. A list of the largest shareholders is available on the Company's investor pages at investors.asiakastieto.fi.



SHARE-RELATED KEY FIGURES		
EUR (unless otherwise stated)	**1.1. – 31.12.2018**	**1.1. – 31.12.2017**
Share price development		
Highest price	32,60	24,35
Lowest price	21,10	17,14
Average price	27,82	20,31
Closing price	24,60	23,90
Market capitalisation, EUR million	589,3	360,9
Trading volume, pcs	3 533 838	1 816 212
Total exchange value of shares, EUR million	98,3	36,9

FLAGGING NOTIFICATIONS AND MANAGERS' TRANSACTIONS

Flagging notifications in the review period

Notifications according to Chapter 9, Paragraph 10 of the Securities Markets Act on 16 May 2018

Sampo Oyj's holding in Asiakastieto Group Plc exceeded 15 per cent on 16 May 2018, and the holding of Sampo Oyj increased to 2 920 000 shares, corresponding to 19,33 per cent of the company's shares and voting rights.

The share of ownership of Mandatum Henkivakuutusosakeyhtiö and investment funds and unit-linked policies managed by it declined below the threshold of 5 per cent on 16 May 2018, and the holdings of Mandatum Henkivakuutusosakeyhtiö and investment funds and unit-linked policies managed by Mandatum Henkivakuutusosakeyhtiö fell to 21 230 shares, corresponding to 0,14 per cent of the company's shares and voting rights.

Notifications according to Chapter 9, Paragraph 10 of the Securities Markets Act on 29 June 2018

The holding of Swedbank AB (publ) in Asiakastieto Group Plc exceeded the threshold of 5 per cent on 20 June 2018 as a result of the completion of the combination of Asiakastieto Group Plc and UC AB. The holding of Swedbank AB (publ) in Asiakastieto Group Plc is 1 765 668 shares corresponding to approximately 7,37 per cent of the company's entire share stock.

The holding of Skandinaviska Enskilda Banken AB in Asiakastieto Group Plc exceeded the threshold of 10 per cent on 29 June 2018 as a result of the completion of the combination of Asiakastieto Group Plc and UC AB. The holding of Skandinaviska Enskilda Banken AB in Asiakastieto Group Plc is 2 443 280 shares corresponding to approximately 10,20 per cent of the company's entire share stock.

Notifications according to Chapter 9, Paragraph 10 of the Securities Markets Act on 2 July 2018

The holdings of Sampo plc and Sampo Group in Asiakastieto Group Plc declined below the threshold of 15 per cent on 2 July 2018 as a result of the issue and registration of Asiakastieto Group Plc's new shares. The holding of Sampo plc in Asiakastieto Group Plc is 2 920 000 shares corresponding to approximately 12,19 per cent of the company's entire share stock, and the holding of Sampo Group in Asiakastieto Group Plc is 2 940 230 shares corresponding to approximately 12,27 per cent of the company's entire share stock.

The holding of Svenska Handelsbanken AB (publ) in Asiakastieto Group Plc exceeded the threshold of 5 per cent on 2 July 2018 as a result of the completion of the combination of Asiakastieto Group Plc and UC AB. The holding of Svenska Handelsbanken AB (publ) in Asiakastieto Group Plc is 2 161 178 shares corresponding to approximately 9,02 per cent of the company's entire share stock.

The holding of Nordea Bank AB (publ)) in Asiakastieto Group Plc exceeded the threshold of 5 per cent on 2 July 2018 as a result of the completion of the combination of Asiakastieto Group Plc and UC AB. The holding of Nordea Bank AB (publ) in Asiakastieto Group Plc is 2 336 763 shares corresponding to approximately 9,76 per cent of the company's entire share stock.

The holding of OP-Rahastoyhtiö Oy in Asiakastieto Group Plc declined below the threshold of 5 per cent on 2 July 2018 as a result of the issue and registration of Asiakastieto Group Plc's new shares. The holding of OP-Rahastoyhtiö Oy in Asiakastieto Group Plc is 1 016 228 shares corresponding to approximately 4,24 per cent of the company's entire share stock.

Notification according to Chapter 9, Paragraph 10 of the Securities Markets Act on 3 July 2018

The holding of Swedbank Robur Fonder AB and its fund Swedbank Robur Småbolagsfond Norden in Asiakastieto Group Plc declined below the threshold of 5 per cent on 3 July 2018 as a result of the issue and registration of Asiakastieto Group Plc's new shares. The holding of Swedbank Robur Fonder AB and its fund Swedbank Robur Småbolagsfond Norden in Asiakastieto Group Plc is 1 152 856 shares corresponding to approximately 4,81 per cent of the company's entire share stock.

Notification according to Chapter 9, Paragraph 10 of the Securities Markets Act on 4 July 2018

The holding of Nordea Funds Ltd and its funds in Asiakastieto Group Plc declined the threshold of 5 per cent on 4 July 2018 as a result of the issue and registration of Asiakastieto Group Plc's new shares. The holding of Nordea Funds Ltd and its funds in Asiakastieto Group Plc is 834 401 shares corresponding to approximately 3,48 per cent of the company's entire share stock.

Notification according to Chapter 9, Paragraph 10 of the Securities Markets Act on 1 October 2018

Nordea Bank Abp's holding in Asiakastieto Group Plc exceeded 5 per cent on 1 October 2018, and the holding of Nordea Bank Abp increased to 2 336 784 shares, corresponding to 9,76 per cent of the company's shares and voting rights. The holding and voting rights were transferred from Nordea Bank AB (publ) in its merger into Nordea Bank Abp.

Managers' transactions

Transactions by Asiakastieto Group's management during the review period have been published as Stock Exchange Releases and they can be read on the Company's investor pages at investors.asiakastieto.fi

RISKS AND UNCERTAINTIES IN THE NEAR FUTURE

The demand for the Group's products and services depends on the activity of the business operations of its customers. Slow economic growth or a declining economy may result in a weakening demand for the services of Asiakastieto Group.

A general tendency to seek cost savings in business activities and the tightening competition in the Group's business sector may cause downward pricing pressure, which may have a negative effect on revenue and profit.

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. Potential deficiencies in the management of the product development portfolio as well as a shortage of development resources may delay the introduction of new services or enhancements to the market and therefore weaken the Group's results.

Well-functioning information technology and good availability of services are essential conditions for the business operations of Asiakastieto Group. Notwithstanding the current solutions for high availability and protection solutions in accordance with best practices, the realisation of external or internal threats can never be completely eliminated. The realisation of risks of this kind could result in misuse, modification or illegal publication of information and could have legal consequences or cause reputational harm, loss of revenue, claims or regulatory actions.

Completion of combination of Asiakastieto Group and UC will require time from key personnel and causes uncertainty within personnel as well as activates competitors in their recruitment efforts. The Group has planned and done activities to mitigate these risks. Estimated synergy benefits and expenses related to the combination process are based on estimations which are by nature uncertain and subject to numerous risks and uncertainties related to business, economy and competition.

PROPOSAL CONCERNING THE DISTRIBUTION OF FUNDS

At the end of the financial year 2018, distributable funds of the Group's parent company amounted to EUR 383 863 026,74, of which the profit for the financial year was EUR 11 327 560,07. The Board of Directors proposes to the Annual General Meeting convening on 28 March 2019 that from the financial year ended 31 December 2018, funds be distributed EUR 0,95 per share, EUR 22 756 265,80 in total based on the Company's registered total number of shares at the time of the proposal, as follows:

PROPOSAL CONCERNING THE DISTRIBUTION OF FUNDS		
	EUR / share	**EUR**
From the profit of the financial year as dividend	0,47	11 258 363,08
From the invested unrestricted equity reserve as a repayment of capital	0,48	11 497 902,72
To be retained in unrestricted equity		361 106 760,94
Total		**383 863 026,74**

The dividend and equity repayment from the reserve for invested unrestricted shareholders' equity will be paid to a shareholder registered in the company's shareholders' register held by Euroclear Finland Ltd on the payment record date of 1 April 2019. The Board of Directors proposes that the funds be paid on 11 April 2019.

The remunerations to be paid on the basis of the Performance Share Plan 2016 and Matching Share Plan 2015 of the company's management's Long Term Incentive Plan are further expected to result in an issuance of 40 000 new shares in Asiakastieto Group Plc, entitling to the distribution of funds from the financial year 2018. Thus, the proposed total amount of distributed funds would increase by approximately EUR 40 000.

FUTURE OUTLOOK

Net sales: Asiakastieto Group expects its net sales growth in 2019 to be in the middle of the range of its long-term target (5–10 %) or slightly below it compared to the previous year's pro forma net sales.

EBITDA: Asiakastieto Group expects its adjusted EBITDA, excluding the effect of IFRS 16 transition, to grow in 2019 at a percentage rate that exceeds the rate of net sales growth compared to the previous year's pro forma adjusted EBITDA.

Capital expenditure: Asiakastieto Group expects its capitalised product development and software expenses in 2019 to exceed the previous year's level on a pro forma basis.

The outlook is subject to risks related to, among other factors, the development of the Finnish and Swedish economy and the business operations of the Group. The most significant risks related to business operations include, for example, 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.

Asiakastieto Group's business risks have been described in more detail on the Company's investor pages at investors.asiakastieto.fi and in the company's listing prospectus, approved by the Financial Supervisory Authority on 10 September 2018 and also available on the investor pages of the company website.

Helsinki, 15 February 2019

ASIAKASTIETO GROUP PLC
Board of Directors

For further information:
Jukka Ruuska
CEO
Asiakastieto Group Plc
tel. +358 10 270 7111

Distribution:
Nasdaq Helsinki Ltd
major media
investors.asiakastieto.fi

CONDENSED FINANCIAL STATEMENTS AND NOTES 1.1. – 31.12.2018

The figures presented in this financial statement release are based on the audited 2018 financial statements. The amounts presented in the financial statement release are rounded, so the sum of individual figures may differ from the sum reported.

1. Consolidated statement of comprehensive income, financial position, cash flows and changes in equity

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME				
EUR thousand	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Net sales	**35 910**	**14 574**	**98 135**	**56 201**
Other operating income	-11	50	86	208
Materials and services	-5 912	-2 913	-18 334	-11 963
Personnel expenses[1]	-9 965	-3 641	-26 763	-12 635
Other operating expenses	-9 111	-2 726	-28 055	-8 756
Work performed by the entity and capitalised	492	312	1 630	1 251
Depreciation and amortisation	-4 276	-910	-9 995	-3 074
Operating profit	**7 126**	**4 746**	**16 704**	**21 232**
Finance income	-107	1	7	4
Finance expenses	-686	-278	-2 195	-1 076
Finance income and expenses	-793	-277	-2 188	-1 072
Profit before income tax	**6 333**	**4 469**	**14 516**	**20 160**
Income tax expense	-1 406	-975	-3 598	-4 117
Profit for the period	**4 926**	**3 494**	**10 918**	**16 043**
Items that may be reclassified to profit or loss:				
Translation differences on foreign units	717	-	5 450	-
Hedging of net investments in foreign units	-858	-	-858	-
Income tax relating to these items	172	-	172	-
	31	**-**	**4 763**	**-**
Items that will not be reclassified to profit or loss:				
Remeasurements of post-employment benefit obligations	-687	-	-687	-
Income tax relating to these items	142	-	142	-
	-546	**-**	**-546**	**-**
Other comprehensive income for the period, net of tax	**-515**	**-**	**4 218**	**-**
Total comprehensive income for the period	**4 411**	**3 494**	**15 136**	**16 043**

EUR thousand	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Profit attributable to:				
Owners of the parent company	4 926	3 494	10 918	16 043
Total comprehensive income attributable to:				
Owners of the parent company	4 411	3 494	15 136	16 043
Earnings per share attributable to the owners of the parent during the period:				
Basic, EUR	0,21	0,23	0,56	1,06
Diluted, EUR	0,21	0,23	0,56	1,06

[1] Personnel expenses include an accrued expense related to the long-term incentive plan to the management amounting to EUR 226 thousand for the fourth quarter 1 October–31 December 2018, EUR 104 thousand for the reference period 1 October–31 December 2017, EUR 415 thousand for the financial year 2018 and EUR 464 thousand for the financial year 2017. Bookings related to the long-term incentive plan to the management have been changed as of 1 January 2018 on the basis of the amendments to IFRS 2. These amendments are explained in more detail in Accounting policies 2.1.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	**31.12.2018**	**31.12.2017**
ASSETS		
Non-current assets		
Goodwill	348 654	118 411
Other intangible assets	137 877	11 085
Property, plant and equipment	3 285	1 996
Deferred tax assets	1 127	1 647
Loan and other receivables	187	365
Total non-current assets	**491 130**	**133 505**
Current assets		
Account and other receivables	21 526	7 896
Cash and cash equivalents	33 215	18 919
Total current assets	**54 741**	**26 815**
Total assets	**545 871**	**160 320**

EUR thousand	**31.12.2018**	**31.12.2017**
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	80	80
Invested unrestricted equity reserve	351 690	112 355
Translation differences	4 592	-
Accumulated losses	-35 071	-31 336
Equity attributable to owners of the parent	**321 290**	**81 099**
Share of equity held by non-controlling interest	0	-
Total equity	**321 290**	**81 099**
Liabilities		
Non-current liabilities		
Interest-bearing liabilities	170 113	69 775
Pension liabilities	4 445	-
Deferred tax liabilities	25 482	-
Account and other payables	-	652
Total non-current liabilities	**200 040**	**70 428**
Current liabilities		
Interest-bearing liabilities	130	-
Advances received	6 375	1 358
Account and other payables	18 036	7 434
Total current liabilities	**24 541**	**8 793**
Total liabilities	**224 581**	**79 220**
Total equity and liabilities	**545 871**	**160 320**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the parent						
EUR thousand	Share capital	Invested unrestricted equity reserve	Translation differences	Accumulated losses	Total	Share of equity held by non-controlling interest	Total equity
Equity at 1.1.2018	**80**	**112 355**	**-**	**-31 336**	**81 099**	**-**	**81 099**
Adoption of amendment to IFRS 2	-	-	-	594	594	-	594
Adoption of IFRS 9	-	-	-	-24	-24	-	-24
Adoption of IFRS 15	-	-	-	-22	-22	-	-22
Adjusted equity at the beginning of the period	**80**	**112 355**	**-**	**-30 787**	**81 648**	**-**	**81 648**
Profit for the period	-	-	-	10 918	10 918	-	10 918
Other comprehensive income for the period	-	-	4 592	-374	4 218	-	4 218
Total comprehensive income for the period	-	-	4 592	10 544	15 136	-	15 136
Transactions with owners							
Distribution of dividend	-	-	-	-14 347	-14 347	-	-14 347
Management's incentive plan	-	-	-	-481	-481	-	-481
Directed share issue	-	240 131	-	-	240 131	-	240 131
Share issue and costs related to the listing of new shares, less taxes	-	-796	-	-	-796	-	-796
Share of equity held by non-controlling interest related to the acquisition of subsidiary	-	-	-	-	-	0	0
Equity at 31.12.2018	**80**	**351 690**	**4 592**	**-35 071**	**321 290**	**0**	**321 290**

	Attributable to owners of the parent						
EUR thousand	Share capital	Invested unrestricted equity reserve	Translation differences	Accumulated losses	Total	Share of equity held by non-controlling interest	Total equity
Equity at 1.1.2017	**80**	**112 355**	**-**	**-33 935**	**78 501**	**-**	**78 501**
Profit for the period	-	-	-	16 043	16 043	-	16 043
Other comprehensive income for the period	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	16 043	16 043	-	16 043
Transactions with owners							
Distribution of dividend	-	-	-	-13 592	-13 592	-	-13 592
Management's incentive plan	-	-	-	148	148	-	148
Equity at 31.12.2017	**80**	**112 355**	**-**	**-31 336**	**81 099**	**-**	**81 099**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR thousand	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Cash flow from operating activities				
Profit before income tax	6 333	4 469	14 516	20 160
Adjustments:				
Depreciation and amortisation	4 276	910	9 995	3 074
Finance income and expenses	793	277	2 188	1 072
Profit (-) / loss (+) on disposal of property, plant and equipment	-1	-28	-71	-167
Other adjustments	92	104	-1 662	464
Cash flows before change in working capital	11 494	5 733	24 966	24 603
Change in working capital:				
Increase (-) / decrease (+) in account and other receivables	2 215	1 643	834	-726
Increase (+) / decrease (-) in account and other payables	-3 993	-270	-633	734
Change in working capital	-1 777	1 373	200	8
Paid interests and other financing expenses	-1 042	-254	-2 092	-962
Received interest and other financing income	4	1	7	4
Income taxes paid	-442	-1 085	-3 554	-3 739
Cash flow from operating activities	**8 236**	**5 768**	**19 527**	**19 914**
Cash flows from investing activities				
Purchases of property, plant and equipment	-43	-845	-893	-1 475
Purchases of intangible assets	-1 322	-869	-4 799	-2 869
Purchases of subsidiaries, net of cash acquired	-366	-5 997	-85 247	-5 997
Proceeds from sale of property, plant and equipment	23	38	170	306
Non-current receivables	-	-1	-	-1
Cash flows from investing activities	**-1 709**	**-7 674**	**-90 769**	**-10 035**
Cash flows from financing activities				
Proceeds from interest-bearing liabilities	169 593	-	269 573	-
Repayments of interest-bearing liabilities	-170 000	-	-170 000	-
Dividends paid and other profit distribution	-	-	-14 347	-13 592
Cash flows from financing activities	**-407**	**-**	**85 226**	**-13 592**
Net increase / decrease in cash and cash equivalents	**6 120**	**-1 905**	**13 985**	**-3 713**
Cash and cash equivalents at the beginning of the period	26 974	20 824	18 919	22 632
Net change in cash and cash equivalents	6 120	-1 905	13 985	-3 713
Translation differences of cash and cash equivalents	121	-	311	-
Cash and cash equivalents at the end of the period	**33 215**	**18 919**	**33 215**	**18 919**

2. Notes

2.1. Accounting policies

This Financial Statement Release has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies and methods applied in the Financial Statement Release are the same as those applied in the financial statements for the financial year ended 31 December 2018.

The preparation of financial statements in accordance with IFRS requires Asiakastieto Group's management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses for the review period. In addition, it is necessary to exercise judgment in applying the accounting policies. Because estimates and assumptions are based on the understanding as at the end of the interim period, they include risks and uncertainties. The actual results may differ from the estimates and assumptions made. Critical accounting estimates and judgments are disclosed in more detail under Note 3 to the consolidated financial statements for the year 2018.

The subsidiaries' income statements and cash flows denominated in Swedish krona have been converted into euro on a monthly basis using the monthly average exchange rate issued by the European Central Bank, and balance sheets have been converted using the exchange rate issued by the European Central Bank on the end date of the period. Conversion of the profit for the period using different exchange rates for the income statement and balance sheet causes a translation difference in the balance sheet recognised in equity. The change in equity is recognised in other comprehensive income.

The following exchange rates were used for the preparation of the Financial Statement Release:

EXCHANGE RATES						
Monthly average rate	**1.12. - 31.12.2018**	**1.11. - 30.11.2018**	**1.10. - 31.10.2018**	**1.9. - 30.9.2018**	**1.8.– 31.8.2018**	**1.7.– 31.7.2018**
SEK – Swedish Krona	10,2766	10,2918	10,3839	10,4426	10,4668	10,3076
Rate on the end date of the period				**31.12.2018**	**30.9.2018**	**30.6.2018**
SEK – Swedish Krona				10,2548	10,3090	10,4530

The amounts presented in the Financial Statement Release are consolidated figures. The amounts presented are rounded, so the sum of individual figures may thus differ from the sum reported. The figures presented in this financial statement release are based on the audited 2018 financial statements.

Changes in the accounting policies

Asiakastieto Group has implemented the new IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers standards together with amendment to IFRS 2 Share based payment standard effective for the financial period beginning on 1 January 2018. Descriptions of these new IFRS standards and more detailed proposal on their implementation can be found in Note 2 of the consolidated financial statements for the year 2018.

The amendment to the IFRS 2 standard concerns incentive schemes with net settlement features to cover withholding obligations and where the employer is obligated to withhold tax from the received benefit obtained from the share-based payment. Previously, the total remuneration was divided into the items to be paid as shareholders' equity and in cash. According to the amended standard, compensation costs will be recognised for such payments based on the entire scheme being an equity-settled payment. Compensation costs are recognised based on the number of gross shares awarded, in spite of the employee ultimately only receiving the net shares and the Group paying the portion required to meet the withholding obligations to the tax authority in cash. The withholding tax paid by the Group to the tax authority is recognised directly from equity. The consolidated financial statements for 2017 included EUR 402 thousand of long-term and EUR 192 thousand of short-term debt relating to the share to be paid in cash. These shares have been adjusted in the opening statement of financial position from liabilities to the retained earnings.

The IFRS 9 standard, effective as mandatory in the beginning of 2018, replaces in its entirety the IAS 39 standard. Per IFRS 9 standard, financial assets are measured at fair value except under certain conditions when they are measured at residual acquisition cost. Valuation methods have also been simplified. The new standard brought changes to hedging calculations and a new method for impairment assessment, which requires an earlier recognition of anticipated credit losses. For Asiakastieto Group, the standard concerns account receivables and earlier recognition of their anticipated credit losses. The account receivables do not include a significant financial component in accordance with the definition of the IFRS 15 standard so the Group has used a simplified model for assessing the expected credit losses. In the model, the expected credit losses are recognized for the entire validity period of the financial assets, its base being the amount of matured receivables and how long they have been matured. A provision matrix based on historical data has been used as an expedient in the assessment of expected credit losses. The application of the standard has no significant impact on the Group's result for the period, and the adjustment relating to its implementation, EUR 24 thousand, has been recognised as an adjustment to retained earnings.

The IFRS 15 standard specifies how and when an IFRS reporting entity will recognise revenue. According to the standard, the revenue is recognized when the customer assumes control of the goods or service. The basic principle of IFRS 15 is that the revenue is recognized in a way describing the delivery of promised goods and services to the customer, and the recognized amount indicates the monetary amount which the company considers itself to be entitled to against the goods and services in question. In conformity with this principle, the revenue is recognized following a five-step recognition model.

Asiakastieto Group has applied the modified retrospective method in implementing the new standard, applying IFRS 15 only to contracts open on 1 January 2018, and presents these contracts as if they had been recognized as per IFRS 15 at the beginning of the contract periods. Asiakastieto Group specified revenue recognition of customer specific projects at the time of applying the new standard to comply in a more accurate way to the transfer of authority of a service. The accumulated EUR 22 thousand profit impact of the implementation of the new standard has been accounted as an adjustment to the opening balance of retained earnings as per the date of implementation, and the figures of the corresponding financial year have not been adjusted. The adjustment impact on short-term receivables was EUR -59 thousand, EUR 6 thousand on deferred tax assets and EUR -31 thousand on short-term liabilities of the opening statement of financial position. The impact of the application of the IFRS 15 standard is EUR 117 thousand on the Group's net sales in the review period and EUR 28 thousand on the Group's operating profit in the review period.

The impact of new and changed standards on the Group's statement of financial position:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EUR thousand	Book value 31.12.2017	IFRS 2	IFRS 9	IFRS 15	Book value 1.1.2018
ASSETS					
Non-current assets	133 505	-	-	6	133 510
Current assets	26 815	-	-24	-59	26 732
Total assets	**160 320**	**-**	**-24**	**-54**	**160 243**
EUR thousand	**Book value 31.12.2017**	**IFRS 2**	**IFRS 9**	**IFRS 15**	**Book value 1.1.2018**
EQUITY AND LIABILITIES					
Equity	81 099	594	-24	-22	81 648
Non-current liabilities	70 428	-402	-	-	70 025
Current liabilities	8 793	-192	-	-31	8 569
Total equity and liabilities	**160 320**	**-**	**-24**	**-54**	**160 243**

New standards and interpretations not yet adopted

IFRS 16 Leases standard will be applicable from 1 January 2019 onwards, and it establishes principles for the recognition, measurement, presentation and disclosure of leases and note requirements. As a result of the standard, the differentiation between operating leases and finance leases will no longer apply, and lessees must treat all leases the same way, so that the lessee recognises an asset (the right to use the leased asset) and a lease liability for all leases, unless the lease term is 12 months or less, or the lease agreement has low value. In the income statement, depreciation on the right-of-use asset and interest expenses on the lease liability are recognised instead of a lease expense. The lease expense is divided into interest expense and debt repayment.

The Group will adopt IFRS 16 from the start of the financial year beginning on 1 January 2019. The Group will apply the simplified approach for adoption, and the figures for the comparison year will not be adjusted. All right-of-use assets will be measured at a value corresponding to the lease liability at the time of initial adoption (adjusted by previously paid or transferred lease expenses). The Group will apply the expedients permitted by the standard by not recognising liabilities on the transition date on leases that expire during 2019. IFRS 16 mainly affects the accounting of the Group's operating leases. As the Group's finance leases are already treated as right-of-use assets and financial liabilities, the adoption of the new standard has no effect with regard to them.

Lessors are still required to categorise lease agreements as either financial leases or operating leases. The IFRS 16 accounting treatment of leases from the lessor's side is essentially unchanged compared to current standards. As the Group does not operate as a lessor to a significant degree, the adoption of the standard will not have a significant effect on the Group's future financial statements in this regard.

At the end of the financial year 2018, the Group had approximately EUR 18,7 million in undiscounted non-cancellable lease liabilities based on operating leases. According to the estimate of the Group's management, right-of-use assets of approximately EUR 11,6 million and lease liabilities of EUR 11,6 million will be recognised on these lease obligations at the time of the standard's adoption. Of these liabilities, EUR 2,1 million are short-term lease liabilities. The profit for the financial year 2019 is expected to be reduced by approximately EUR 0,1 million due to the adoption of the standard. EBITDA, which is used as a measure of the Group's profitability, is estimated to increase by approximately EUR 2,2 million because operating lease expenses were included in EBITDA, but depreciation on the right-of-use asset and interest on the lease liability are not included. Cash flow from operating activities is expected to increase and cash flow from financing is expected to decline by approximately EUR 2,2 million in the financial year 2019 because the repayment of lease liabilities is classified as cash flow from financing.

2.2. Net sales

NET SALES BY BUSINESS AREA				
EUR thousand	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Risk Decisions	23 135	9 888	65 192	38 503
Customer Data Management	2 454	1 506	7 391	4 723
Digital Processes	1 985	1 183	6 337	4 537
SME and Consumers	8 337	1 997	19 216	8 438
Total	**35 910**	**14 574**	**98 135**	**56 201**

On 20 June 2018, Asiakastieto Group's Board of Directors decided on a new organisational structure. Asiakastieto Group's new organisation from 1 July 2018 on consists of two types of units: business areas and functional units. The net sales are presented both for the current year and the reference year using these new business areas.

Asiakastieto Group specified revenue recognition of customer specific projects at the time of applying the IFRS 15 standard to comply in a more accurate way to the transfer of control of a service. The impact of the application of the IFRS 15 standard on the net sales of the Risk Decisions business area for financial year 2018 was EUR 117 thousand.

2.3. Corporate acquisitions

Asiakastieto Group Plc's Board of Directors and the then owners of UC AB informed on 24 April 2018 to have agreed on the combination of the companies. Pursuant to the terms of the combination agreement, Asiakastieto Group Plc acquired on 29 June 2018 the shares in UC AB for a total consideration of EUR 338,9 million. The consideration consisted of EUR 98,8 million in cash and 8 828 343 newly issued shares in the Company.

UC AB is one of the leading business and credit reference agencies in Sweden. The company provides refined business information and comprehensive credit reports that enable companies and private individuals to make more reliable business decisions. The clientele includes companies, private individuals and the public sector. The company had over 300 employees at the time of acquisition in Stockholm, Gothenburg, Malmö, Örebro and Östersund. After the completion of the transaction, UC became a subsidiary of Asiakastieto Group Plc, and it continues to operate as its own company.

The Group has made an allocation of the consideration for intangible assets identified and recognised in the acquisition. This allocation was specified further during the fourth quarter. In the allocation of the purchase consideration, EUR 20,3 million was allocated to customer relations, which will be amortised in 8–20 years, EUR 31,0 million to trademarks, which will be amortised in 15 years, and EUR 65,4 million to technology, which will be amortised in 5–12 years. The fair value of acquired accounts receivable is EUR 10,5 million, which corresponds to their book value at the moment of acquisition. The accounts receivable are expected to be entirely collectable. Goodwill in the amount of EUR 227,0 million was recognised in connection with the acquisition. Goodwill is not deductible in taxation.

The goodwill recognised in connection with the acquisition consists of synergies directed at the customer relations, technology and cost structure of the target of acquisition and the acquiring party, expected future income from the target's knowhow and new technologies based on existing technologies, expected future income from new customer relations, and the knowledge and capabilities of the personnel of the target of acquisition.

UC's balance sheet has been consolidated into Asiakastieto Group's balance sheet starting from 30 June 2018, and the figures of the income statement from 1 July 2018. Therefore, the impact of the acquisition on the result will be shown for the first time in full in the group result to be reported for the third quarter. At the moment of acquisition, there were no material mutual business operations between the Group and the acquired company that should have been taken into account in the combination of business activities.

CONSIDERATION TRANSFERRED	
EUR thousand	
Cash paid	98 800
Consideration shares	240 131
Total cost of acquisition	**338 931**

NET ASSETS ACQUIRED	
EUR thousand	
Customer relations	20 294
Trademarks	30 993
Technology	65 410
Other intangible assets	11 991
Property, plant and equipment	1 431
Account and other receivables	14 190
Cash and cash equivalents	13 919
Deferred tax liabilities	-26 036
Interest-bearing liabilities	-446
Pension liabilities	-3 807
Advances received	-5 237
Account and other payables	-10 738
Net assets acquired	111 965
Share of equity held by non-controlling interest	0
	111 965

GOODWILL ARISING FROM BUSINESS COMBINATION	
EUR thousand	
Consideration transferred	338 931
Net assets acquired	111 965
Goodwill	**226 966**

EFFECTS OF ACQUISITION ON CASH FLOW	
EUR thousand	
Purchase price paid in cash	-98 800
Cash and cash equivalents of the acquired entity	13 919
	-84 881

Expenses of EUR 7,3 million related to the acquisition of UC's shares and the companies' integration in the review period have been recognised in the item "Other operating expenses" of the statement of consolidated income". The expenses are mainly related to advisor fees for the acquisition of shares and execution of the transaction.

Regulations of the Articles of Association concerning the credit register and credit register information and shareholder agreement

Asiakastieto Group Plc and the sellers have concluded a shareholder agreement, which concerns the control of UC's credit register and credit register information, as the company owned jointly by the sellers received, as part of the transaction, a small number of UC's B shares, granting their holders certain administrative rights. The B shares do not entitle to dividends or UC's result or balance sheet. Furthermore, according to UC's Articles of Association, among others, certain resolutions concerning the credit register and credit register information require a unanimous decision of the Board of Directors and the requirement for the making of such a decision at UC's General Meeting is that the minority shareholders vote in favour of the decision. These requirements are applied to changes containing a risk that UC is, from time to time, not able to fulfil its legal obligations and/or contractual obligations concerning, among others, the use, availability or processing of the credit register or credit register information, secured distribution of credit register information and the interface used for the delivery of credit information. Asiakastieto Group has further undertaken not to transfer UC's shares to any other party, unless such a party in possession of sufficient capacities and unless the party does not commit to the same restrictions as Asiakastieto Group in relation to the credit register and credit register information. The purpose of these arrangements has been to ensure the maintenance of the credit register and the control of credit register information provided by the sellers.

2.4. Equity

CHANGES IN NUMBER OF SHARES	Number of shares	Total number of shares
1.1.2017		**15 102 178**
-	-	-
31.12.2017		**15 102 178**
1.1.2018		**15 102 178**
Shares issued to the management's incentive system	23 443	15 125 621
Directed share issue	8 828 343	23 953 964
31.12.2018		**23 953 964**

A total of 23 443 new shares were subscribed for in Asiakastieto Group Plc's share issue targeted at the company's key personnel without payment and registered in the Trade Register on 29 May 2018. The new shares produce the right to dividends and other distribution of assets as well as other shareholder rights as of the registration date 29 May 2018. Trading in the new shares commenced on 30 May 2018. The issuance of shares related to share-based remuneration is disclosed in the notes to the condensed financial statements, in Note 2.7 Transactions with related parties.

On 29 June 2018, Asiakastieto Group Plc issued 8 828 343 new shares as part of the consideration for the acquisition of UC AB. The share subscription price was recognised in the invested unrestricted equity reserve, deducted by expenses. For this reason, the Group's invested unrestricted equity reserve increased by EUR 239,4 million. On 10 September 2018, the Financial Supervisory Authority approved the listing prospectus prepared by the company. On 11 September 2018, Nasdaq Helsinki Ltd approved the listing of the new shares. Trading in the new shares commenced on 12 September 2018.

For the financial year 2017, Asiakastieto Group Plc paid a dividend of EUR 0,95 per share, totalling EUR 14,3 million. The dividend was paid on 4 April 2018. For the financial year 2016, the company paid a dividend of EUR 0,90 per share, totalling EUR 13,6 million. The dividend payment date was 10 April 2017.

2.5. Interest-bearing liabilities

INTEREST-BEARING LIABILITIES OF THE GROUP		
EUR thousand	**31.12.2018**	**31.12.2017**
Non-current		
Loans from financial institutions	169 849	69 775
Financial leasing debts	264	-
Total	**170 113**	**69 775**
Current		
Financial leasing debts	130	-
Total	**130**	**-**
Total interest-bearing liabilities	**170 243**	**69 775**

Of the loans from financial institutions, EUR 105,3 million are EUR-denominated and EUR 64,5 million are SEK-denominated. Financial leasing debts are SEK-denominated.

On 18 October 2018, Asiakastieto Group Plc signed an agreement on the refinancing of its long-term loans. The company entered into a loan agreement on a total of EUR 180 million of financing with Danske Bank A/S, OP Corporate Bank Plc and Nordea Bank Plc. Asiakastieto Group Plc used this financing to refinance the EUR 75 million term loan and revolving credit facility agreement entered into with Danske Bank A/S and Pohjola Bank Plc on 28 November 2014 and to refinance the financing agreement entered into with Danske Bank A/S and OP Corporate Bank Plc on 31 May 2018, concerning a bridge loan of EUR 100 million.

The new agreement consists of a term loan of EUR 160 million and a revolving credit facility of EUR 20 million. The company drew down the term loan on 25 October 2018, partially in euro and partially in Swedish krona in accordance with the terms of the loan agreement. The loans mature in October 2023. Of the revolving credit facility, EUR 10 million was utilised on 31 December 2018.

Similarly to the old loans, the new loans include a financial covenant reviewed on a quarterly basis, which is Net debt to EBITDA calculated in accordance with the financing agreement. The relation of the Group's net debt to EBITDA adjusted according to the terms of the financing agreement was 3,4 on 31 December 2018 (2,1). The covenant limit in accordance with the financing agreement was 4,5 on 31 December 2018 and 3,5 in the financial year 2017.

Until the refinancing, Asiakastieto Group Plc and its subsidiary, Suomen Asiakastieto Oy, had guaranteed EUR 70,0 million of loans from financial institutions and EUR 5,0 million of undrawn facilities on behalf of each other.

2.6. Lease agreements

MINIMUM RENTS BASED ON NON-CANCELLABLE LEASE		
EUR thousand	**31.12.2018**	**31.12.2017**
No later than 1 year	4 406	720
Later than 1 year and no later than 5 years	12 000	3 880
Later than 5 years	2 306	3 000
Total	**18 712**	**7 600**

The Group's lease commitments relate mainly to its office premises in Finland and Sweden and IT service contracts including the right of use of server capacity in Sweden.

2.7. Transactions with related parties

Related parties of the Group consist of group entities and shareholders having a significant influence over the Group. The shareholders who have had the right to nominate a representative in the Company's Board of Directors are considered having significant influence in the Company. 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. In connection with the acquisition of UC, the company specified the concept of related party in more detail and adjusted the related party information included in the consolidated financial statements prepared for 2017.

THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES			
1.1.–31.12.2018 EUR thousand	**Sales of goods and services**	**Purchases of goods and services**	**Finance income and expenses**
Shareholders having a significant influence over the Group	5 389	-482	-181
Total	**5 389**	**-482**	**-181**
31.12.2018 EUR thousand		**Receivables**	**Liabilities**
Shareholders having a significant influence over the Group		1 091	57 516
Total		**1 091**	**57 516**
1.1.–31.12.2017 EUR thousand	**Sales of goods and services**	**Purchases of goods and services**	**Finance income and expenses**
Shareholders having a significant influence over the Group[1]	328	-	-
Total	**328**	**-**	**-**
31.12.2017 EUR thousand		**Receivables**	**Liabilities**
Shareholders having a significant influence over the Group[1]		26	-
Total		**26**	**-**

Transactions with related parties have been carried out on an arm's length basis. During the financial year, the Group's related party transactions with key persons in management and members of the Board of Directors consisted of normal salaries and fees.

Related to the acquisition of UC, certain members of the Executive Team are entitled to a stay on bonus corresponding to a maximum of three months' salary.

[1] Figures of related party sales and purchases as well as receivables from and liabilities to related parties presented as reference data from the financial year 2017 have been corrected.

Long-term incentive plans for the management

Long-term incentive plan for the management 2015–2018

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 personal 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 number 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 award shall be paid in net amount of shares after deducting the tax-related costs.

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 of 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 their maximum.

In June 2016, the Board of Directors of Asiakastieto Group Plc 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 Asiakastieto Group 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 415 thousand (EUR 464 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 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. The matching share plan award will be paid to the participants in spring 2019.

Performance Based Share Plan 2015

The long-term incentive plan includes the possibility to be awarded with further shares based on a set of 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. Performance Based Share Plan 2015 ended on 31 March 2018 and paid out on 29 May 2018.

In the directed issue, key persons participating in the share programme were given 23 443 Asiakastieto Group Plc's shares without consideration in compliance with the terms of the programme. Withholding tax EUR 0,7 million was withheld from the shares issued and paid to the tax authorities. The resolution of a directed issue of shares was based on the authorisation given to the Board of Directors by the Annual General Meeting on 22 March 2018. The new shares were registered in the Trade Regiser on 29 May 2018, and they became the subject of public trading on 30 May 2018.

A person participating in the programme must own 50 per cent of net shares obtained on the basis of the programme until the time the value of the participant's holding is equivalent to their annual gross basic salary. The shares must be owned as long as the participant's employment or service relationship in the Group continues.

Performance Based Share Plan 2016

The long-term incentive plan includes the possibility to be awarded with further shares based on a set of 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 spring 2019.

Long-term incentive plan for the management 2018–2021

In August 2018, the Board of Directors decided on a new share-based long-term incentive plan for key persons of Asiakastieto Group. The target group of the plan includes approximately 40 key persons, including the members of the Executive Team. In order to participate in the plan and receive award, the participant must purchase Asiakastieto Group Plc's shares or allocate previously held Asiakastieto shares to the programme in the number determined by the Board of Directors.

The possible award for the commitment period depends on the continuation of employment or service at the time of payment award and meeting of the shareholding requirement. The award for the commitment period will be paid after the end of the commitment period in 2020. Furthermore, the possible award for the performance period is based on total shareholder return (TSR) on Asiakastieto Group Plc share and the Group's adjusted EBITDA in 2020. The award for the performance period will be paid in two increments in 2021.

Awards payable under the plan will not total more than the value of approximately 300 000 Asiakastieto Group Plc shares, including also the amount paid in cash. For the financial year, an accrued expense of EUR 169 thousand has been recognised in personnel expenses.

2.8. Events after the review period

Asiakastieto Group outsources its telemarketing unit in Sweden

Asiakastieto Group Plc and UC Affärsfakta AB have signed a letter of intent on the outsourcing of their telemarketing unit on 16 January 2019. According to the letter of intent, Asiakastieto will transfer the telesales operations practised by Affärsfakta to the company founded by the unit's current management. By outsourcing, Asiakastieto increases its efficiency and encourages entrepreneurial operating methods.

Affärsfakta currently has approximately 120 employees and it operates in four locations in Sweden. In connection with the outsourcing move, the employees will be transferred to the new company with their current benefits and obligations, and the unit's present Managing Director Krister Ahlberg will continue to lead the company. The intention is to sign the outsourcing contract during the first quarter of 2019, and the outsourcing is planned to be finalised by the end of the third quarter of the year, at the latest.

Asiakastieto Group acquires the business of Solidinfo.SE and strengthens company information services in Sweden

UC Affärsinformation AB, part of Asiakastieto Group, has signed an agreement to acquire the business and assets of Solidinfo.SE from Social Media Support Sverige AB. The agreement was signed on 12 February 2019 and the transaction will be closed on 28 February 2019. The price of the transaction will not be published.

The net sales of Social Media Support Sverige AB for the financial year 2017 amounted to EUR 0,4 million. The core of Solidinfo.SE services is a website that provides free business information similar to UC Affärsinformation AB's online service, offering company and financial information on Swedish companies.

NOTE 1. CONSOLIDATED PRO FORMA FINANCIAL INFORMATION

The following unaudited pro forma financial information is presented to illustrate the impact of the acquisition of UC and the related bridge financing on Asiakastieto Group's results of operations. To finance the acquisition of UC, the Group entered on 31 May 2018 in a financing agreement of EUR 100,0 million concerning a bridge loan. The bridge loan was drawn down on 29 June 2018, and it was replaced by refinancing of the loans on 25 October 2018. The consolidated pro forma financial information purports to reflect the effect of the bridge loan facility to financial expenses in Asiakastieto Group's consolidated statements of income during the periods presented. The effective interest rate used for pro forma purposes for the bridge loan facility was 1,7 percent. More information on the acquisition of UC is presented under Note 2.3. Corporate Acquisitions in the Notes to the condensed financial statements.

Consolidated pro forma statement of income data

CONSOLIDATED PRO FORMA STATEMENT OF INCOME

EUR million	Actual 1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Net sales	**35,9**	**34,6**	**134,3**	**129,6**
Other operating income	0,0	0,1	0,1	0,4
Materials and services	-5,9	-5,5	-22,8	-21,3
Personnel expenses	-10,0	-10,9	-40,7	-39,1
Other operating expenses	-9,1	-9,6	-38,2	-37,6
Work performed by the entity and capitalised	0,5	1,0	2,0	3,7
Depreciation and amortisation	-4,3	-3,8	-15,5	-14,6
Operating profit	**7,1**	**5,7**	**19,2**	**20,9**
Finance income	-0,1	0,0	0,0	0,1
Finance expenses	-0,7	-0,7	-3,1	-3,0
Finance income and expenses	-0,8	-0,7	-3,1	-3,0
Profit before income tax	**6,3**	**5,0**	**16,2**	**18,0**
Income tax expense	-1,4	-1,1	-3,3	-4,5
Profit for the period	**4,9**	**3,9**	**12,9**	**13,4**
Items that may be reclassified to profit or loss:				
Translation differences on foreign units	0,7	-	5,4	-
Hedging of net investments in foreign units	-0,9	-	-0,9	-
Income tax relating to these items	0,2	-	0,2	-
	0,0	**-**	**4,8**	**-**
Items that will not be reclassified to profit or loss:				
Remeasurements of post-employment benefit obligations	-0,7	0,3	0,5	1,0
Income tax relating to these items	0,1	-0,1	-0,1	-0,2
	-0,5	**0,2**	**0,4**	**0,8**
Other comprehensive income for the period, net of tax	**-0,5**	**0,2**	**5,2**	**0,8**
Total comprehensive income for the period	**4,4**	**4,1**	**18,0**	**14,2**

CONSOLIDATED PRO FORMA STATEMENT OF INCOME 1.1.–31.12.2018

EUR million	1.1. – 31.3.2018	1.4. – 30.6.2018	Actual 1.7. – 30.9.2018	Actual 1.10. – 31.12.2018	1.1. – 31.12.2018
Net sales	**32,8**	**34,1**	**31,4**	**35,9**	**134,3**
Other operating income	0,1	0,1	0,0	0,0	0,1
Materials and services	-5,3	-6,0	-5,5	-5,9	-22,8
Personnel expenses	-10,1	-10,7	-9,9	-10,0	-40,7
Other operating expenses	-9,9	-11,0	-8,2	-9,1	-38,2
Work performed by the entity and capitalised	0,6	0,5	0,4	0,5	2,0
Depreciation and amortisation	-3,7	-3,7	-3,8	-4,3	-15,5
Operating profit	**4,5**	**3,2**	**4,4**	**7,1**	**19,2**
Finance income	0,0	0,0	0,1	-0,1	0,0
Finance expenses	-0,7	-0,8	-0,9	-0,7	-3,1
Finance income and expenses	-0,7	-0,8	-0,8	-0,8	-3,1
Profit before income tax	**3,7**	**2,5**	**3,6**	**6,3**	**16,2**
Income tax expense	-0,6	-0,6	-0,7	-1,4	-3,3
Profit for the period	**3,2**	**1,9**	**2,9**	**4,9**	**12,9**
Items that may be reclassified to profit or loss:					
Translation differences on foreign units	-	-	4,7	0,7	5,4
Hedging of net investments in foreign units	-	-	-	-0,9	-0,9
Income tax relating to these items	-	-	-	0,2	0,2
	-	**-**	**4,7**	**0,0**	**4,8**
Items that will not be reclassified to profit or loss:					
Remeasurements of post-employment benefit obligations	1,1	0,1	-	-0,7	0,5
Income tax relating to these items	-0,2	0,0	-	0,1	-0,1
	0,8	**0,1**	**-**	**-0,5**	**0,4**
Other comprehensive income for the period, net of tax	**0,8**	**0,1**	**4,7**	**-0,5**	**5,2**
Total comprehensive income for the period	**4,0**	**2,0**	**7,6**	**4,4**	**18,0**

Accounting policies of the unaudited pro forma financial information

The pro forma financial information for the review period and the financial year ended 31 December 2017 combines historical consolidated statements of comprehensive income of Asiakastieto Group and UC and the impact of the acquisition of UC including the bridge financing to give effect to the transaction as if it had occurred on 1 January 2017. UC's balance sheet has been consolidated into Asiakastieto Group's balance sheet starting from 30 June 2018 and the figures of the income statement from 1 July 2018. Therefore, the figures for the third and fourth quarters of 2018 are taken into account in the pro forma calculations as actual reported figures.

The pro forma financial information for the financial year ended 31 December 2017 is prepared in accordance with the accounting policies applied in Asiakastieto Group's audited consolidated financial statements for the year ended 31 December 2017. The pro forma financial information for the review period is prepared in accordance with the accounting policies applied in Asiakastieto Group's audited consolidated financial statements for the year ended 31 December 2018. On 1 January 2018, Asiakastieto Group adopted IFRS 9, Financial Instruments, and IFRS 15, Revenue from Contracts with Customers. Asiakastieto Group has not restated prior year comparatives. On 1 January 2017, in connection with transition to IFRS, UC adopted IFRS 9 and IFRS 15. The adoption of IFRS 9 and IFRS 15 did not have a material impact on Asiakastieto Group's financial information.

The unaudited pro forma financial information is prepared on the basis of the historical consolidated statements of comprehensive income of Asiakastieto Group and UC, prepared in accordance with IFRS. More information on Asiakastieto Group's historical performance is available in Asiakastieto Group's audited financial statements and Asiakastieto Group's half year financial report for this year. The basis of presentation of the pro forma financial information and the notes to unaudited comprehensive pro forma income statements are also presented in more detail in the report. Asiakastieto Group's audited financial statements and half year report are available at www.asiakastieto.fi.

All amounts are presented in millions of euros unless otherwise stated. The pro forma financial information set forth herein has been rounded. Accordingly, in certain instances, the sum of figures may not conform exactly to the total amount given for that column or row.

Additional pro forma information

The following tables present the net sales distribution by business area, applying the same principles as those applied to the pro forma income statement information, and the basic and diluted pro forma earnings per share attributable to the owners of the parent company.

PRO FORMA NET SALES BY BUSINESS AREA

EUR million	Actual 1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Risk Decisions	23,1	21,6	88,0	83,9
Customer Data Management	2,5	2,9	9,5	10,5
Digital Processes	2,0	1,6	7,6	6,2
SME and Consumers	8,3	8,5	29,2	29,0
Total	**35,9**	**34,6**	**134,3**	**129,6**

PRO FORMA NET SALES BY BUSINESS AREA 1.1.-31.12.2018

EUR million	1.1. – 31.3.2018	1.4. – 30.6.2018	Actual 1.7. – 30.9.2018	Actual 1.10. – 31.12.2018	1.1. – 31.12.2018
Risk Decisions	21,3	22,2	21,4	23,1	88,0
Customer Data Management	2,6	2,4	2,1	2,5	9,5
Digital Processes	1,7	2,1	1,8	2,0	7,6
SME and Consumers	7,2	7,5	6,2	8,3	29,2
Total	**32,8**	**34,1**	**31,4**	**35,9**	**134,3**

PRO FORMA EARNINGS PER SHARE

EUR million (unless otherwise stated)	Actual 1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Pro forma profit attributable to the owners of the parent company	4,9	3,9	12,9	13,4
Weighted average number of shares in issue, historical (pcs)	15 125 621	15 102 178	15 116 115	15 102 178
Pro forma adjustment regarding new shares (pcs)	-	-	-	-
New shares issued as part of consideration (pcs)	8 828 343	8 828 343	8 828 343	8 828 343
Pro forma weighted average number of shares in issue, basic (pcs)	23 953 964	23 930 521	23 944 458	23 930 521
Pro forma basic earnings per share (EUR)	**0,21**	**0,16**	**0,54**	**0,56**
Pro forma weighted average number of shares in issue, basic (pcs)	23 953 964	23 930 521	23 944 458	23 930 521
Management's incentive plan (pcs)	46 465	64 095	46 465	64 095
Pro forma number of shares, weighted average, diluted (pcs)	24 000 429	23 994 616	23 990 923	23 994 616
Pro forma diluted earnings per share (EUR)	**0,21**	**0,16**	**0,54**	**0,56**

Pro forma key figures

In addition to pro forma operating profit (EBIT) and pro forma EBITDA, Asiakastieto Group presents on a pro forma basis comparable earnings per share excluding amortisation from fair value adjustments related to the business acquisitions and their tax impact, adjusted operating profit (EBIT) and adjusted EBITDA, to reflect the financial development of its business operations and to enhance comparability from period to period. Information regarding the formulas for key figures and reasons for the use of alternative performance measures are presented in Note 2 to this financial statement release.

PRO FORMA KEY FIGURES

EUR million	**Actual 1.10. – 31.12.2018**	**1.10. – 31.12.2017**	**1.1. – 31.12.2018**	**1.1. – 31.12.2017**
Net sales	35,9	34,6	134,3	129,6
Net sales growth, %	3,9	n/a	3,6	n/a
EBITDA	11,4	9,6	34,8	35,6
EBITDA margin, %	31,8	27,6	25,9	27,4
Adjusted EBITDA	12,2	10,7	42,1	43,1
Adjusted EBITDA margin, %	34,0	30,8	31,3	33,2
Operating profit (EBIT)	7,1	5,7	19,2	20,9
EBIT margin, %	19,8	16,5	14,3	16,1
Adjusted operating profit (EBIT)	10,9	9,6	37,7	39,6
Adjusted EBIT margin, %	30,2	27,9	28,1	30,6
Net sales from new products and services	2,8	2,8	10,5	10,7
New products and services of net sales, %	7,8	8,2	7,8	8,3
Earnings per share, basic, EUR	0,21	0,16	0,54	0,56
Earnings per share, diluted, EUR	0,21	0,16	0,54	0,56
Earnings per share, comparable, EUR[1]	0,30	0,26	0,90	0,93
Net debt to adjusted EBITDA, x[2]	3,3	n/a	3,3	n/a

[1] The comparable pro forma earnings per share result does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

[2] The net debt to adjusted EBITDA has been calculated by dividing the net debt of Asiakastieto Group's consolidated statement of financial position at 31 December 2018 by the pro forma adjusted EBITDA of the past 12 months.

Matching of pro forma alternative key figures to the closest IFRS key figure

PRO FORMA ADJUSTED EBITDA				
EUR million	**Actual 1.10. – 31.12.2018**	**1.10. – 31.12.2017**	**1.1. – 31.12.2018**	**1.1. – 31.12.2017**
Operating profit (IFRS)	**7,1**	**5,7**	**19,2**	**20,9**
Depreciation and amortisation	4,3	3,8	15,5	14,6
EBITDA	**11,4**	**9,6**	**34,8**	**35,6**
Items affecting comparability				
M&A and integration related expenses	0,4	0,3	4,2	6,4
Redundancy payments	0,4	0,3	2,1	0,4
External expenses arising from significant regulatory changes	0,0	0,5	0,9	0,7
Compensation paid for damages	-	-	0,1	-
Total items affecting comparability	0,8	1,1	7,3	7,5
Adjusted EBITDA	**12,2**	**10,7**	**42,1**	**43,1**

PRO FORMA ADJUSTED OPERATING PROFIT				
EUR million	**Actual 1.10. – 31.12.2018**	**1.10. – 31.12.2017**	**1.1. – 31.12.2018**	**1.1. – 31.12.2017**
Operating profit (IFRS)	**7,1**	**5,7**	**19,2**	**20,9**
Amortisation from fair value adjustments related to acquisitions	2,9	2,8	11,1	11,2
Items affecting comparability				
M&A and integration related expenses	0,4	0,3	4,2	6,4
Redundancy payments	0,4	0,3	2,1	0,4
External expenses arising from significant regulatory changes	0,0	0,5	0,9	0,7
Compensation paid for damages	-	-	0,1	-
Total items affecting comparability	0,8	1,1	7,3	7,5
Adjusted operating profit	**10,9**	**9,6**	**37,7**	**39,6**

PRO FORMA COMPARABLE EARNINGS PER SHARE				
EUR million (unless otherwise stated)	**Actual 1.10. – 31.12.2018**	**1.10. – 31.12.2017**	**1.1. – 31.12.2018**	**1.1. – 31.12.2017**
Pro forma profit attributable to the owners of the parent company (IFRS)	4,9	3,9	12,9	13,4
Amortisation from fair value adjustments related to acquisitions	2,9	2,8	11,1	11,2
Tax impact of amortisation from fair value adjustments related to the acquisitions	-0,6	-0,6	-2,4	-2,5
Pro forma comparable profit attributable to the owners of the parent company	7,2	6,1	21,6	22,2
Pro forma weighted average number of shares in issue - basic (pcs)	23 953 964	23 930 521	23 944 458	23 930 521
Pro forma comparable earnings per share (EUR)	**0,30**	**0,26**	**0,90**	**0,93**

NOTE 2. KEY FINANCIAL INFORMATION FOR THE GROUP

Asiakastieto Group Plc presents alternative performance measures as additional information for key performance measures in the consolidated statements of income, financial position and cash flows prepared according to IFRS to reflect the financial development of its business operations and to enhance comparability from period to period. According to the management's view, alternative performance measures provide substantial supplemental information on the result of the Group's operations, financial position and cash flows to the management and investors, securities analysts and other parties. Alternative performance measures are not, as such, included in the consolidated financial statements prepared according to IFRS, but they are derived from the IFRS consolidated financial statements by adjusting items in the consolidated statements of income, financial position and cash flows and/or by proportioning them to each other. Alternative performance measures should not be considered as a substitute for measures in accordance with IFRS. All companies do not calculate alternative performance measures in a uniform way. Therefore, the company's alternative performance measures are not necessarily comparable with similarly named performance measures of other companies.

In addition, Asiakastieto Group Plc presents some performance measures reflecting the productivity of its business operations on a pro forma basis to describe the impact of UC's acquisition and bridge loan financing as if these transactions had been realized on an earlier date. The information on the preparation basis of Pro forma financial information and the unaudited pro forma income statements used as the basis for the calculation are found in Note 1, Consolidated pro forma financial information of the Group.

The alternative performance measures of this financial statement release have been calculated applying the same principles as presented in the Board of Directors' Annual Report for 2018.

KEY INCOME STATEMENT AND CASH FLOW FIGURES AND RATIOS

EUR million	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Net sales	35,9	14,6	98,1	56,2
Net sales growth, %	146,4	15,4	74,6	14,3
EBITDA	11,4	5,7	26,7	24,3
EBITDA margin, %	31,8	38,8	27,2	43,3
Adjusted EBITDA[5]	12,2	5,9	36,1	24,8
Adjusted EBITDA margin, %[5]	34,0	40,8	36,8	44,2
Operating profit (EBIT)	7,1	4,7	16,7	21,2
EBIT margin, %	19,8	32,6	17,0	37,8
Adjusted operating profit (EBIT)[1, 5]	10,9	5,2	32,0	22,0
Adjusted EBIT margin, %[1, 5]	30,2	35,3	32,7	39,1
Free cash flow[4]	7,9	4,3	15,9	16,5
Cash conversion, %[4]	69,4	76,1	59,6	68,0
Net sales from new products and services[2]	2,8	2,1	8,6	8,2
New products and services of net sales, %[2]	7,8	14,6	8,8	14,6
Net sales from value-added services[3]	28,9	9,8	76,0	38,9
Value-added services share of net sales, %[3]	80,4	67,5	77,4	69,2
Earnings per share, basic, EUR	0,21	0,23	0,56	1,06
Earnings per share, diluted, EUR	0,21	0,23	0,56	1,06
Earnings per share, comparable, EUR[6]	0,30	0,24	0,78	1,07

KEY BALANCE SHEET RATIOS

EUR million	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Balance sheet total	545,9	160,3	545,9	160,3
Net debt	137,0	50,9	137,0	50,9
Net debt to adjusted EBITDA, x[7]	pro forma 3,3	2,1	pro forma 3,3	2,1
Return on equity, %	6,2	17,6	5,4	20,1
Return on capital employed, %	5,7	12,7	5,2	14,2
Gearing, %	42,6	63,0	42,6	63,0
Equity ratio, %	59,6	51,0	59,6	51,0
Gross investments	1,8	1,7	5,6	4,3

[1] The method used for calculating the adjusted operating profit (EBIT), the reported adjusted operating profit (EBIT) for the first quarter and the comparison figures for the period 1 October–31 December 2017 and the financial year 2017 have been changed from 1 April 2018 so that also amortisation from fair value adjustments related to the acquisitions and external expenses arising from significant regulatory changes are taken into account as items to be adjusted.

[2] The method used for calculating the share of new products and services, comparison data for the period 1 October–31 December 2017 and the financial year 2017 have been changed starting from 1 January 2018 so that the share includes the total sales of products launched during the past 24 months. Previously, the share was calculated as the net sales for products and services launched during the past 12 months added by the change in net sales for products and services launched during the preceding 12 months.

[3] The services of Emaileri Oy have been included in value-added services starting 1 April 2018 and they have been retroactively added to reported first quarter value-added services.

[4] The method used for calculating the free cash flow and the comparison figures for the period 1 October–31 December 2017 and the financial year 2017 have been changed from 1 January 2018 so that the impact of paid taxes is no longer added to the cash flow of business operations.

[5] The adjusted performance measures are calculated by adjusting the performance measures with the following items affecting comparability: M&A and integration related expenses, redundancy payments, compensations paid and external expenses arising from significant regulatory changes.

[6] The comparable earnings per share does not contain amortisation from fair value adjustments related to the acquisitions or their tax impact.

[7] Due to the impact of the UC acquisition on Asiakastieto's net debt, for the fourth quarter and the review period, the net debt to adjusted EBITDA has been calculated by dividing the net debt of the consolidated statement of financial position at 31 December 2018 by the pro forma adjusted EBITDA of the past 12 months.

Matching of the alternative key figures to the closest IFRS key figure

EBITDA AND ADJUSTED EBITDA

EUR thousand	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Operating profit	**7 126**	**4 746**	**16 704**	**21 232**
Depreciation and amortisation	4 276	910	9 995	3 074
EBITDA	**11 402**	**5 657**	**26 699**	**24 307**
Items affecting comparability				
M&A and integration related expenses	431	287	7 266	409
Redundancy payments	354	-	1 935	107
External expenses arising from significant regulatory changes	39	-	142	-
Compensation paid for damages	-	-	80	-
Total items affecting comparability	824	287	9 424	516
Adjusted EBITDA	**12 226**	**5 943**	**36 122**	**24 822**

EBIT AND ADJUSTED EBIT

EUR thousand	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Operating profit	**7 126**	**4 746**	**16 704**	**21 232**
Amortisation from fair value adjustments related to the acquisitions	2 913	118	5 915	221
Items affecting comparability				
M&A and integration related expenses	431	287	7 266	409
Redundancy payments	354	-	1 935	107
External expenses arising from significant regulatory changes	39	-	142	-
Compensation paid for damages	-	-	80	-
Total items affecting omparability	824	287	9 424	516
Adjusted operating profit	**10 863**	**5 151**	**32 042**	**21 969**

FREE CASH FLOW

EUR thousand	1.10. – 31.12.2018	1.10. – 31.12.2017	1.1. – 31.12.2018	1.1. – 31.12.2017
Cash flow from operating activities	**8 236**	**5 768**	**19 527**	**19 914**
Paid interests and other financing expenses	1 042	254	2 092	962
Received interest and other financing income	-4	-1	-7	-4
Acquisition of tangible assets and intangible assets	-1 365	-1 714	-5 691	-4 344
Free cash flow	**7 909**	**4 307**	**15 921**	**16 529**

Matching of pro forma alternative performance measures is shown in Note 1 Consolidated pro forma financial information of the Group in the notes to this financial statement release.

Calculation formulas for alternative performance measures

Of the alternative performance measures, the methods for calculating new products and services and free cash flow have been changed from 1 January 2018 on. The method for calculating free cash flow has been changed so that the impact of paid taxes is no longer added to the cash flow of business operations. Free cash flow is thus formed of business cash flow before interest and other financing expenses and interest and other financing income deducted by acquisitions of tangible assets and intangible assets. The method for calculating the share of new products and services has been changed so that the total sales of products launched during the past 24 months are included in the shares. Previously, the share was calculated as the net sales for products and services launched during the past 12 months added by the change in net sales for products and services launched during the preceding 12 months.

In addition, the definition of adjusted operating profit has been updated because of the acquisition of UC, which is why the adjusted EBIT and adjusted EBIT margin have been adjusted retroactively from 1 January 2017 to match the new definition. In the future, the Company will include, according to the new definition, also amortisation from fair value adjustments related to the acquisitions and external expenses arising from significant regulatory changes in the items to be adjusted. This update of the definition for adjusted operating profit has had no substantial impact on the previously reported adjusted operating profit figures.

FORMULAS FOR KEY FIGURES

EBITDA	Operating profit + depreciation and amortisation
Items affecting comparability	Material items outside ordinary course of business that concern i) M&A and integration related expenses, ii) redundancy payments, iii) compensations paid and iv) external expenses arising from significant regulatory changes
Adjusted EBITDA	EBITDA + items affecting comparability
Adjusted operating profit (EBIT)	Operating profit excluding amortisation from fair value adjustments related to the acquisitions + items affecting comparability
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 twenty-four months.
Net sales from value-added services	Net sales generated from value-added products and services during the period
Free cash flow	Cash flow from operating activities added by paid interests and other financing expenses, deducted by received interests and other financing income and deducted by acquisition of tangible and intangible assets
Cash conversion, %	$\frac{\text{Free cash flow}}{\text{EBITDA}} \times 100$
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, %	$\frac{\text{Profit (loss) for the period}}{\text{Total equity (average for the period)}} \times 100$

Return on capital employed, %	Profit (loss) before taxes + Financial expenses / Total assets - Non-interest-bearing liabilities (average for the period)	x 100
Gearing, %	Interest -bearing liabilities - cash and cash equivalents / Total equity	x 100
Equity ratio, %	Total equity / Total assets - Advances received	x 100
Earnings per share, basic	Profit for the period attributable to the owners of the parent company divided by weighted average number of shares in issue	
Earnings per share, diluted	Profit for the period attributable to the owners of the parent company divided by weighted average number of shares in issue taken into consideration the possible impact of the Group's management's long-term incentive plan	
Earnings per share, comparable	Profit for the period attributable to the owners of the parent company excluding amortisation from fair value adjustments related to the acquisitions and their tax impact divided by weighted average number of shares in issue	
Gross investments	Gross investments are fixed asset acquisitions with long-term effect, from which no sales of property or disposal of business have been deducted. As a general rule, fixed assets comprise tangible assets and intangible assets	

Purpose of use of alternative performance measures

EBITDA, adjusted EBITDA and adjusted EBIT are presented as alternative performance measures, as they, according to the Company's view, enhance the understanding of the Group's results of operations and are frequently used by analysts, investors and other parties.

Adjusted EBITDA excluding IFRS 16 impact is presented as alternative performance measure starting 1 January 2019 as according to the Company's view it will improve the understanding of Group's profitability compared to prior year. Implementation of IFRS 16 Lease Agreements standard will have a significant impact on adjusted EBITDA, which is one of the main alternative performance measures used to describe the development of Group profitability.

Net sales from new products and services and net sales from value-added services are presented as alternative performance measures, as they, according to the Company's views, describe the development and structure of the Company's net sales.

Free cash flow, cash conversion and gross investments 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 return on capital employed 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.

Gearing and equity ratio are presented as alternative performance measures, as they, according to the Company's views, refclect the level of risk related to financing and help to monitor the level of capital employed in the Group's business.

Comparable earnings per share is presented as an alternative performance measure, as it, according to the Company's view, helps to reflect the profit attributable to the owners.

Quarterly consolidated statements of income

CONSOLIDATED STATEMENT OF INCOME						
EUR thousand	**Q4 2018**	**Q3 2018**	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**
Net sales	**35 910**	**31 410**	**15 728**	**15 088**	**14 574**	**13 341**
Other operating income	-11	33	14	49	50	53
Materials and services	-5 912	-5 532	-3 712	-3 178	-2 913	-2 938
Personnel expenses	-9 965	-9 905	-3 424	-3 469	-3 641	-2 632
Other operating expenses	-9 111	-8 158	-7 021	-3 765	-2 726	-2 006
Work performed by the entity and capitalised	492	366	390	381	312	187
Depreciation and amortisation	-4 276	-3 814	-977	-928	-910	-753
Operating profit	**7 126**	**4 401**	**997**	**4 180**	**4 746**	**5 251**
Finance income	-107	114	0	0	1	0
Finance expenses	-686	-891	-327	-292	-278	-265
Finance income and expenses	-793	-776	-326	-292	-277	-265
Profit before income tax	**6 333**	**3 624**	**671**	**3 888**	**4 469**	**4 986**
Income tax expense	-1 406	-707	-704	-780	-975	-999
Profit for the period	**4 926**	**2 917**	**-33**	**3 108**	**3 494**	**3 987**
Items that may be reclassified to profit or loss:						
Translation differences on foreign units	717	4 733	-	-	-	-
Hedging of net investments in foreign units	-858	-	-	-	-	-
Income tax relating to these items	172	-	-	-	-	-
	31	**4 733**	**-**	**-**	**-**	**-**
Items that will not be reclassified to profit or loss:						
Remeasurements of post-employment benefit obligations	-687	-	-	-	-	-
Income tax relating to these items	142	-	-	-	-	-
	-546	**-**	**-**	**-**	**-**	**-**
Other comprehensive income for the period, net of tax	**-515**	**4 733**	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**4 411**	**7 650**	**-33**	**3 108**	**3 494**	**3 987**
Profit attributable to:						
Owners of the parent company	4 926	2 917	-33	3 108	3 494	3 987
Total comprehensive income attributable to:						
Owners of the parent company	4 411	7 650	-33	3 108	3 494	3 987
Earnings per share attributable to the owners of the parent during the period:						
Basic, EUR	0,21	0,12	-0,00	0,21	0,23	0,26
Diluted, EUR	0,21	0,12	-0,00	0,20	0,23	0,26

Asiakastieto Group Plc | Tel. +358 10 270 7000 | Hermannin rantatie 6,
PO Box 16, FI-00581 Helsinki | Business ID 2194007-7 | investors.asiakastieto.fi