

Asiakastieto Group Plc

Interim Report

1.1. – 31.3.2017

ASIAKASTIETO GROUP PLC, STOCK EXCHANGE RELEASE 5 MAY 2017 AT 1.00 EEST

Asiakastiето Group's Interim Report 1.1. – 31.3.2017: Trend in share of new services of net sales turned to growth

SUMMARY

The figures presented in this Interim Report are unaudited.

January – March 2017 in short:

- Net sales amounted to EUR 13,8 million (EUR 12,0 million), an increase of 15,6 %.
- Adjusted EBIT excluding non-recurring and other adjusted items was EUR 5,5 million (EUR 5,0 million), an increase of 9,3 %.
- Operating profit (EBIT) was EUR 5,5 million (EUR 5,0 million). Operating profit included non-recurring expenses and other adjusted items of EUR 0,0 million (EUR 0,0 million).
- The share of new products and services of net sales was 8,1 % (10,1 %). Trend in share of new services of net sales turned to growth.
- The share of value-added services of net sales was 69,5 % (64,3 %).
- Free cash flow amounted to EUR 3,5 million (EUR 4,0 million). The impact of non-recurring and other adjusted items on free cash flow was EUR -0,0 million (EUR -0,1 million).
- Earnings per share were EUR 0,27 (EUR 0,25).

Future outlook

Asiakastiето Group expects its net sales growth rate to be within the range of long term target. Adjusted euro-nominated net operating profit is expected to grow from last year but at a slower pace than net sales.

KEY FIGURES			
EUR million	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Net sales	13,8	12,0	49,2
Net sales growth, %	15,6	13,6	12,5
Adjusted EBITDA ¹	6,2	5,6	21,7
Adjusted EBITDA margin, % ¹	44,8	47,0	44,1
Adjusted operating profit (EBIT) ¹	5,5	5,0	19,2
Adjusted EBIT margin, % ¹	39,8	42,1	39,1
New products and services of net sales, %	8,1	10,1	7,4
Free cash flow ²	3,5	4,0	17,2
Net debt to EBITDA, x	1,8	1,8	2,2

¹ Adjusted key figures are adjusted by following items: M&A related fees for legal and other advisory services, redundancy payments and compensations paid. The above listed adjusted items were EUR -0,0 million for the first quarter 1 January – 31 March 2017, EUR -0,0 million for the comparative period 1 January – 31 March 2016 and EUR -0,3 million for the financial year 2016. Adjusted key figures for the financial year 2016 are also adjusted by the non-recurring profit on the sale of shares of office premises EUR 1,1 million.

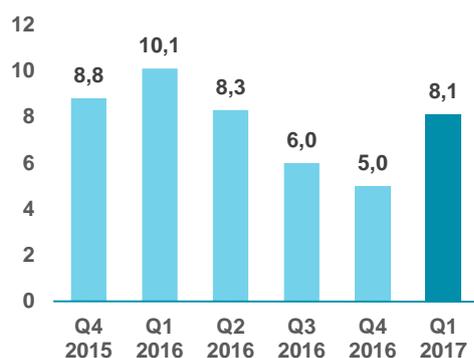
² The impact of adjusted items on free cash flow was EUR -0,0 million for the first quarter 1 January – 31 March 2017, EUR -0,1 million for the comparative period 1 January – 31 March 2016 and EUR -0,4 million for the financial year 2016.

Net sales, EUR million


- Net sales growth EUR 1,9 million.
- Customer Management and Real Estate and Collateral Information Services had proportionally the strongest net sales growth but also other product areas grew significantly.

Adjusted operating profit, EUR million


- The information gathering expenses increased compared to the corresponding period due to changes in the product mix.
- Rental agreement of the office premises has been effective from the beginning of March 2016 so only part of the corresponding period.

New services' share of net sales, %


- Share of new services back on a good level in the first quarter.
- During the first quarter the target group tool Company Filter Pro, the FATCA Service, Quick Decision and the P/E and P/B Indicator were launched. The P/E and P/B Indicator uses Asiakastieto's new company value models to describe how the company's value compares to other companies operating in the same area of business. In addition, Certificates were renewed.

Free cash flow, EUR million


- Free cash flow was EUR 3,5 million in the first quarter.
- Employees Pension act (TyEL insurance) 2017 payment EUR 2,3 million was paid in advance in January.
- Employees Pension act (TyEL insurance) 2016 advance payment EUR 0,5 million was paid in January 2016 and the rest EUR 1,5 million in April 2016.

JUKKA RUUSKA, CEO

“In the first quarter, Asiakastieto Group’s net sales continued with a strong growth of 15,6 %. The growth was partially contributed by the late Easter, due to which there were three so-called banking days more than last year. The net sales amounted to EUR 13,8 million (EUR 12,0 million). In Asiakastieto Group, the most important source for growth are the continuous service development and new services. Therefore, I am immensely satisfied that the share of new services of the net sales turned again to growth, being now 8,1 %.

The adjusted EBIT increased by 9,3 per cent in the first quarter, totalling EUR 5,5 million (EUR 5,0 million). As planned, the increase in EBIT is slower than that of net sales, because the strongest growth in sales is focused on services, the production of which requires data to be bought outside our own database.

As stated previously, we see the year 2017 as a breakthrough for the automation of compliance activities. In the first quarter we introduced to our clients e.g. the opportunity to automatically check, whether a person is liable to tax in the United States. In the second quarter we will further expand the selection with service entities, which simultaneously intensify the compliance processes of our clients and strengthen and unify the customer experience offered.”

NET SALES

January - March

Asiakastieto Group’s net sales in the first quarter amounted to EUR 13,8 million (EUR 12,0 million) and increased by 15,6 % compared to the corresponding quarter of the previous year. Net sales from new products and services were EUR 1,1 million (EUR 1,2 million), which was 8,1 % (10,1 %) of the total net sales for the first quarter. The growth of net sales was impacted by greater number of banking days in the first quarter than in the corresponding quarter of the previous year, a positive trend of sales evolution of new products, the consolidation of Intellia Oy to Group accounts from 1 October 2016, good sales development of real estate services and the development of economic volume. One off type of project revenue recognitions were in lesser amount than in the corresponding quarter of the previous year.

Product area specific net sales will be reported based on a new product area breakdown, effective from 1 January 2017. The corresponding figures from the previous year have been calculated applying the same breakdown.

Business Information’s net sales in the first quarter amounted to EUR 8,1 million (EUR 7,6 million) and increased by 5,9 % compared to the corresponding quarter of the previous year. The net sales were positively impacted by the sales of value added services, such as Rating Alfa and sales from new products launched in 2016-2017 as well as general economic transaction volumes. From the beginning of 2017, Business Information also includes Certificates and Analyses, which was an own product area in 2016.

Consumer Information’s net sales in the first quarter amounted to EUR 3,5 million (EUR 3,2 million) and increased by 11,6 % compared to the corresponding quarter of the previous year. In the first quarter sales performance was good in the majority of services especially due to the continued general economic volume growth. Also services sold to consumers directly were growing significantly. In 2016 Consumer Information included real estate services, which have been incorporated to form part of Real Estate and Collateral Information Services product area at the beginning of 2017.

Customer Management’s net sales in the first quarter amounted to EUR 1,3 million (EUR 0,6 million), and increased by 101,4 % compared to the corresponding quarter of the previous year. The product area includes net sales of Intellia Oy. Intellia was consolidated to the Group from 1 October 2016 and therefore is not impacting the corresponding period of previous year. The sales of the consumer section of the product area was better than anticipated. In addition, the launch of the new target group tool Company Filter Pro was successful.

Net sales of the Real Estate and Collateral Information Services product area in the first quarter amounted to EUR 1,0 million (EUR 0,6 million) and increased by 70,4 % compared to the corresponding quarter of the previous year. The product area's positive evolution of net sales was impacted by continuous service development and general amount of economic transaction volumes.

FINANCIAL RESULTS

January - March

Asiakastiето Group's operating profit (EBIT) for the first quarter amounted to EUR 5,5 million (EUR 5,0 million). Operating profit included non-recurring and adjusted items of EUR 0,0 million (EUR 0,0 million).

Adjusted EBIT excluding non-recurring and adjusted items for the first quarter amounted to EUR 5,5 million (EUR 5,0 million). Adjusted EBIT grow in euro dominated terms EUR 0,5 million (9,3 %).

Adjusted operating profit margin for the first quarter decreased compared to the corresponding quarter of the previous year, but increased slightly compared to adjusted operating profit margin of the full financial year 2016. The margin is further affected by a change in sales mix due to growth especially in the products which have higher information gathering expenses. Compared to the corresponding quarter of the previous year the rental costs of office premises only impacted March but the full quarter in 2017.

The Group's depreciation and amortisation for the first quarter amounted to EUR 0,7 million (EUR 0,6 million).

Net financial expenses during the first quarter were EUR 0,3 million (EUR 0,3 million).

The Group's result before income taxes in the first quarter was EUR 5,2 million (EUR 4,7 million).

The tax amount booked as expense for the first quarter was EUR -1,0 million (EUR -1,0 million). The change in deferred tax assets in the first quarter amounted to EUR -0,2 million (EUR -1,0 million).

The Group's result in the first quarter was EUR 4,2 million (EUR 3,8 million), an increase of 9,6 %.

CASH FLOW

In the interim period the cash flow from operating activities amounted to EUR 5,2 million (EUR 4,7 million). The change in the Group's working capital was EUR -1,4 million (EUR -0,1 million). The change in the Group's working capital was impacted in 2017 by the advance payment of Employees pension act (TyEL insurance) EUR 2,3 million in January.

The cash flow from investing activities for the interim period amounted to EUR -1,2 million (EUR 1,9 million). For the comparative period the cash flow from investing activities was affected by a received payment from the sale of the office premises.

The Group paid taxes EUR 15 thousand during the first quarter. The final income taxes of the financial year 2016 and the first set of advance taxes of the financial year 2017 will be paid during the second quarter of 2017.

STATEMENT OF FINANCIAL POSITION

At the end of the first quarter, the Group's total assets were EUR 163,2 million (EUR 162,9 million). Total equity amounted to EUR 69,1 million (EUR 82,0 million) and total liabilities to EUR 94,1 million (EUR 80,9 million). The dividend to be paid in April EUR 13,6 million were written off from equity in March, based on the decision of the shareholder's meeting. Of the total liabilities, EUR 69,7 million (EUR 69,6 million) was non-current interest-bearing liabilities, EUR 0,3 million (EUR 0,1 million) non-current, non-interest-bearing liabilities and EUR 24,1 million (EUR 11,2 million) current, non-interest-bearing liabilities. The non-bearing liabilities includes dividend liability EUR 13,6 million. Goodwill amounted to EUR 113,9 million (EUR 111,4 million) at the end of the first quarter. Goodwill was

increased in the fourth quarter of the financial year 2016 due to goodwill which resulted from the acquisition of Intellia Oy.

Asiakastieto Group's cash and cash equivalents at the end of the first quarter were EUR 25,9 million (EUR 28,2 million) and net debt EUR 43,8 million (EUR 41,4 million). Both the revolving credit facility and the bank account overdraft were unused.

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 interim period amounted to EUR 1,0 million (EUR 0,7 million). Capital expenditure on intangible assets was EUR 0,8 million (EUR 0,6 million) and capital expenditure on tangible assets was EUR 0,2 million (EUR 0,1 million).

RESEARCH AND DEVELOPMENT

The product development activities of Asiakastieto Group relate to the development of product and service offering. During the interim period the capitalised development and software costs of the Group amounted to EUR 0,8 million (EUR 0,6 million). The capitalised development and software costs relate to the development of the Group's products and services as well as to intangible IT infrastructure. The Group had no material research activities.

PERSONNEL

The average number of personnel employed by Asiakastieto Group during the first quarter of the year was 150 (149) and at the end of the first quarter the number of personnel was 150 (154).

During the first quarter of 2017, the personnel expenses of the Group amounted to EUR 3,1 million (EUR 2,6 million) and included an accrued cost of EUR 46 thousand (EUR 53 thousand) from the management's long-term incentive plan. See further details in the section "Transactions with related parties" in the notes to the condensed financial statements.



Asiakastieto Group outsourced functions related to financial statements information and financial statements analysis from 1 January 2017. Change concerns 12 employees and has no major financial impact to personnel fees.

Key figures describing the Group's personnel:

PERSONNEL			
	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Average number of personnel	150	149	159
Full time	145	136	146
Part time and temporary	5	13	13
Wages and salaries for the period (EUR million)	2,5	2,1	9,8

OTHER EVENTS DURING THE INTERIM PERIOD

Asset Deal

Asiakastieto Group decided to outsource by asset deal functions related to financial statements information and financial statements analysis to BSH Partners Oy from 1 January 2017. Change concerns 12 employees and has no major financial impact.

Changes in Product Areas and Asiakastieto Group Executive team

The Board of Directors decided in their meeting 19 October 2016 on changes in the product areas. At the beginning of 2017, the product area of Certificates and Analyses was incorporated in Business Information. In addition, a new product area was established, which focuses on real estate information, collateral management services and housing company data services. Heikki Ylpekkala, started as member of the Executive Team on 15 December 2016, is in charge of the new product area from 1 January 2017 onwards.

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

Asiakastieto Group Plc's General Meeting of shareholders on 30 March 2017

The General Meeting of shareholders held on 30 March 2017 confirmed the financial statements for the financial period ended on 31 December 2016, 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 0,90 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 3 April 2017. The dividend was decided to be paid on 10 April 2017.

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 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.

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 1 April 2016. The authorisation has not been used by 5 May 2017.

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 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 1 April 2016. The authorisation has not been used by 5 May 2017.

Meeting of the Board of Directors on 30 March 2017

The organizational meeting of the Board of Directors 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 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.

The merger of Intellia Oy

Intellia Oy was merged to Suomen Asiakastiето Oy on 31 March 2017. Intellia Oy was dissolved by liquidation procedure and its assets and liabilities were transferred to Suomen Asiakastiето Oy. The merger was implemented according to the merger plan dated on 28 October 2016 gratuitously.

Business operations of Intellia Oy and Suomen Asiakastiето Oy were merged as part of the Group's structural change to achieve increase in efficiency and savings in total expenses.

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.

On 31 March 2017, the total number of shares was 15 102 178 (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 2 519 (2 091) shareholders at 31 March 2017. 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. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Share price development			
Highest price	20,30	15,46	22,00
Lowest price	17,85	13,15	13,15
Average price	18,88	14,76	16,59
Closing price	18,10	14,79	19,25
Market capitalisation, EUR million	273,3	223,4	290,7
Trading volume, pcs	425 278	851 310	2 249 787
Total exchange value of shares, EUR million	8,0	12,6	37,5

FLAGGING NOTIFICATIONS AFTER THE END OF THE INTERIM PERIOD

Asiakastieto Group Plc received an announcement on 1 May 2017 referred to in Chapter 9, Section 5 of the Securities Markets Act, according to which Nordea Funds Oy's holding in Asiakastieto Group Plc has exceeded the threshold of 5 % on 28 April 2017. The holding of Nordea Funds Oy has increased to 769 109 shares, corresponding to 5,093 % of the Company's shares and voting rights.

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.

FUTURE OUTLOOK

Asiakastieto Group expects its net sales growth rate to be within the range of long term target. Adjusted euro-nominated net operating profit is expected to grow from last year but at a slower pace than net sales.

The outlook is subject to risks related to, among other factors, the development of the Finnish 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.

Helsinki, on 5 May 2017

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. – 31.3.2017

The figures presented in this Interim Report are unaudited. The amounts presented in the Interim Report are rounded and, 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	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Net sales	13 850	11 983	49 178
Other operating income	49	5	1 150
Materials and services	-2 975	-2 191	-9 200
Personnel expenses ¹	-3 094	-2 606	-12 091
Other operating expenses	-2 051	-1 866	-7 870
Work performed by the entity and capitalised	383	293	1 296
Depreciation and amortisation	-699	-586	-2 450
Operating profit	5 464	5 030	20 013
Finance income	1	0	7
Finance expenses	-272	-290	-1 093
Finance income and expenses	-270	-289	-1 086
Profit before income tax	5 194	4 741	18 927
Income tax expense	-1 041	-950	-3 612
Profit for the period	4 153	3 790	15 316
Total comprehensive income for the period	4 153	3 790	15 316
Profit attributable to:			
Owners of the parent company	4 153	3 790	15 316
Total comprehensive income attributable to:			
Owners of the parent company	4 153	3 790	15 316
Earnings per share attributable to the owners of the parent during the period:			
Basic	0,27	0,25	1,01
Diluted	0,27	0,25	1,01

¹ Personnel expenses include an accrued expense related to the long-term incentive plan to the management for the first quarter 1 January – 31 March 2017 EUR 46 thousand, the comparative period 1 January – 31 March 2016 EUR 53 thousand and the financial year 2016 EUR 328 thousand.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
EUR thousand	31.3.2017	31.3.2016	31.12.2016
ASSETS			
Non-current assets			
Goodwill	113 872	111 358	113 872
Other intangible assets	8 511	5 678	8 217
Property, plant and equipment	1 397	4 192	1 388
Deferred tax assets	2 771	5 305	2 973
Loan and other receivables	167	103	167
Total non-current assets	126 719	126 635	126 617
Current assets			
Account and other receivables	10 562	8 030	7 338
Cash and cash equivalents	25 934	28 192	22 632
Total current assets	36 497	36 222	29 970
Total assets	163 215	162 858	156 587
EQUITY AND LIABILITIES			
Equity attributable to owners of the parent			
Share capital	80	80	80
Invested unrestricted equity reserve	112 355	116 584	112 355
Accumulated losses	-47 498	-38 477	-49 250
Profit for the period	4 153	3 790	15 316
Total equity	69 090	81 977	78 501
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	69 689	69 577	69 661
Account and other payables	296	104	278
Total non-current liabilities	69 985	69 680	69 940
Current liabilities			
Advances received	2 444	6 363	1 261
Account and other payables	21 696	4 837	6 886
Total current liabilities	24 141	11 200	8 147
Total liabilities	94 126	80 881	78 087
Total equity and liabilities	163 215	162 858	156 587

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Attributable to owners of the parent

EUR thousand	Share capital	Invested unrestricted equity reserve	Accumulated losses	Total
Equity at 1.1.2017	80	112 355	-33 935	78 501
Total comprehensive income for the period	-	-	4 153	4 153
Distribution of dividend	-	-	-13 592	-13 592
Management's incentive plan	-	-	28	28
Equity at 31.3.2017	80	112 355	-43 345	69 090

EUR thousand	Share capital	Invested unrestricted equity reserve	Accumulated losses	Total
Equity at 1.1.2016	80	116 584	-38 502	78 161
Total comprehensive income for the period	-	-	3 790	3 790
Management's incentive plan	-	-	25	25
Equity at 31.3.2016	80	116 584	-34 687	81 977

CONSOLIDATED STATEMENT OF CASH FLOWS			
EUR thousand	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Cash flows from operating activities			
Profit before income tax	5 194	4 741	18 927
Adjustments for			
Depreciation and amortisation	699	586	2 450
Finance income and expenses	270	289	1 086
Profit (-) / loss (+) on disposal of property, plant and equipment	-43	2	-20
Other adjustments	46	53	-778
Cash flows before change in working capital	6 165	5 671	21 666
Change in working capital:			
Increase (-) / decrease (+) in account and other receivables	-3 226	-939	6
Increase (+) / decrease (-) in account and other payables	1 793	829	98
Change in working capital	-1 433	-110	104
Interest and other finance expenses paid	-241	-267	-988
Interest and other finance income received	1	0	7
Income taxes paid	-15	-	-10
Net cash from operating activities	4 477	5 295	20 779
Cash flows from investing activities			
Purchases of property, plant and equipment	-240	-844	-1 074
Purchases of intangible assets	-1 015	-760	-3 492
Purchases of subsidiaries, net of cash acquired	-	-	-2 929
Proceeds from sale of property, plant and equipment	81	3 563	3 622
Purchase of investments	-	-103	-100
Non-current receivables	-	-	-67
Net cash from investing activities	-1 175	1 855	-4 040
Cash flows from financing activities			
Short-term financing, net increase (+) / decrease (-)	-	-	-47
Dividends paid and other profit distribution	-	-	-15 102
Net cash from financing activities	-	-	-15 149
Net increase / decrease in cash and cash equivalents	3 303	7 150	1 589
Cash and cash equivalents at the beginning of the period	22 632	21 042	21 042
Cash and cash equivalents at the end of the period	25 934	28 192	22 632

2. Notes

2.1. Accounting policies

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The accounting policies and methods applied in this Interim Report are the same as those applied in the financial statements for the financial year ended 31 December 2016.

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 interim 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 the note 3 to the consolidated financial statements for the year 2016.

In its Interim Report Asiakastieto Group Plc discloses alternative performance measures to depict the financial development of its business operations and to improve comparability between different periods. Alternative performance measures are not included in IFRS based consolidated financial statement as such, but they are derived from IFRS based consolidated financial statements or interim reports by amending parts of main calculations or notes and/or making them proportional. Alternative measures should not be considered replacing indicators compared to the performance measures defined in the IFRS financial statements norms. All companies do not calculate alternative performance measures in the same way, and therefore alternative performance measures used by the Company are not necessarily comparable with other companies, even if named in the same way. Alternative performance measures shown in this Interim Report have been calculated according to the same principles described in group financial statement 2016 disclosed under the note 2.

The amounts presented in the income statement and in the balance sheet are consolidated figures. The amounts presented in the Interim Report are rounded, so the sum of individual figures may thus differ from the sum reported. The figures presented in this Interim Report are unaudited.

2.2. Net sales

NET SALES BY PRODUCT AREA			
EUR thousand	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Business Information	8 058	7 607	30 190
Consumer Information	3 537	3 169	12 711
Customer Management	1 290	640	3 145
Real Estate and Collateral Information Services	965	566	3 133
Total	13 850	11 983	49 178

At the beginning of 2017, the product area of Certificates and Analyses will be incorporated in Business Information, based on the decision of the Board of Directors on 19 October 2016. In addition, a new product area Real Estate and Collateral Information Services was established, which focuses on real estate information, collateral management services and housing company data services.

2.3. Interest-bearing liabilities

INTEREST-BEARING LIABILITIES OF THE GROUP			
EUR thousand	31.3.2017	31.3.2016	31.12.2016
Loans from financial institutions	69 689	69 577	69 661
Total	69 689	69 577	69 661

All interest-bearing liabilities are denominated in euros.

The Group has entered into a term loan and revolving credit facility agreement with Danske Bank Plc and Pohjola Bank Plc EUR 75,0 million consisting of a EUR 70,0 million term loan and a EUR 5,0 million revolving credit facility including EUR 0,5 million bank account overdraft. The loan from a financial institution matures on 28 November 2019.

The loan from a financial institution includes a financial covenant that is Net debt to EBITDA, calculated as defined under the financing agreement. The covenants are monitored on a quarterly basis. The Net debt to EBITDA, which is adjusted as defined under the financing agreement, was 2,0 (2,0) as at 31 March 2017. According to the financing agreement, the covenant limit was 4,0 until 31 December 2016 and 3,5 for the financial year 2017.

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

2.4. Lease commitments

MINIMUM RENTS BASED ON NON-CANCELLABLE LEASE			
EUR thousand	31.3.2017	31.3.2016	31.12.2016
No later than 1 year	526	518	470
Later than 1 year and no later than 5 years	3 791	2 717	2 958
Later than 5 years	3 605	5 191	4 611
Total	7 922	8 426	8 040

2.5. Transactions with related parties

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

THE FOLLOWING TRANSACTIONS WERE CARRIED OUT WITH RELATED PARTIES			
1.1.-31.3.2017 EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Companies influenced by the Management	127	-7	-
Total	127	-7	-
31.3.2017			
EUR thousand	Receivables		Liabilities
Companies controlled by the Management	-		56
Companies influenced by the Management	51		-
Total	51		56
1.1.-31.12.2016			
EUR thousand	Sales of goods and services	Purchases of goods and services	Finance income and expenses
Companies influenced by the Management	395	-61	-
Total	395	-61	-
31.12.2016			
EUR thousand	Receivables		Liabilities
Companies controlled by the Management	-		56
Companies influenced by the Management	38		1
Total	38		57

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

Long-term incentive plan to the management

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

In general, no award shall be paid if the employment or service contract terminates before the award payment. Any awards shall be paid partly in shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the award to the participants.

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

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

In June 2016 the Board of Directors of 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.

Long-term incentive plan to the management is in the scope of IFRS 2. For the interim period, an accrued expense EUR 46 thousand (EUR 53 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.

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. Any earned award shall be paid out to participants after the end of the performance period.

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 2019.

3. Quarterly consolidated statements of income

CONSOLIDATED STATEMENT OF INCOME						
EUR thousand	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016	Q4 2015
Net sales	13 850	12 631	11 697	12 867	11 983	11 357
Other operating income	49	15	4	1 125	5	10
Materials and services	-2 975	-2 386	-2 148	-2 475	-2 191	-2 104
Personnel expenses	-3 094	-3 563	-2 812	-3 108	-2 606	-2 447
Other operating expenses	-2 051	-2 091	-1 856	-2 058	-1 866	-1 792
Work performed by the entity and capitalised	383	398	290	315	293	368
Depreciation and amortisation	-699	-677	-552	-635	-586	-538
Operating profit	5 464	4 328	4 624	6 032	5 030	4 854
Finance income	1	3	4	0	0	2
Finance expenses	-272	-279	-265	-259	-290	-306
Finance income and expenses	-270	-277	-261	-259	-289	-304
Profit before income tax	5 194	4 051	4 362	5 773	4 741	4 550
Income tax expense	-1 041	-860	-874	-928	-950	-915
Profit for the period	4 153	3 192	3 489	4 845	3 790	3 636
Total comprehensive income for the period	4 153	3 192	3 489	4 845	3 790	3 636
Profit attributable to:						
Owners of the parent company	4 153	3 192	3 489	4 845	3 790	3 636
Total comprehensive income attributable to:						
Owners of the parent company	4 153	3 192	3 489	4 845	3 790	3 636
Earnings per share attributable to the owners of the parent during the period:						
Basic	0,27	0,21	0,23	0,32	0,25	0,24
Diluted	0,27	0,21	0,23	0,32	0,25	0,24

4. Key financial information for the Group

KEY INCOME STATEMENT AND CASH FLOW FIGURES AND RATIOS			
EUR million	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Net sales	13,8	12,0	49,2
Growth of net sales, %	15,6	13,6	12,5
EBITDA	6,2	5,6	22,5
EBITDA margin, %	44,5	46,9	45,7
Adjusted EBITDA ¹	6,2	5,6	21,7
Adjusted EBITDA margin, % ¹	44,8	47,0	44,1
EBIT	5,5	5,0	20,0
EBIT margin, %	39,5	42,0	40,7
Adjusted EBIT ¹	5,5	5,0	19,2
Adjusted EBIT margin, % ¹	39,8	42,1	39,1
Free cash flow ²	3,5	4,0	17,2
Cash conversion, % ²	56,4	70,5	76,6
Net sales from new products and services	1,1	1,2	3,6
New products and services share of net sales, %	8,1	10,1	7,4
Net sales from value-added services	9,6	7,7	32,2
Value-added services share of net sales, %	69,5	64,3	65,4
Earnings per share, basic, EUR	0,27	0,25	1,01
Earnings per share, diluted, EUR	0,27	0,25	1,01

KEY BALANCE SHEET RATIOS			
EUR million	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Balance sheet total	163,2	162,9	156,6
Net debt	43,8	41,4	47,0
Net debt to adjusted EBITDA, x	1,8	1,8	2,2
Return on equity, %	22,5	18,9	19,6
Return on capital employed, %	15,2	13,4	13,5
Gearing, %	63,3	50,5	59,9
Equity ratio, %	43,0	52,4	50,5
Gross investments	1,0	0,7	3,8

¹ Adjusted key figures are adjusted by following items: M&A related fees for legal and other advisory services, redundancy payments and compensations paid. The above listed adjusted items were EUR -0,0 million for the first quarter 1 January – 31 March 2017, EUR -0,0 million for the comparative period 1 January – 31 March 2016 and EUR -0,3 million for the financial year 2016. Adjusted key figures for the financial year 2016 are also adjusted by the non-recurring profit on the sale of shares of office premises EUR 1,1 million.

² The impact of adjusted items on free cash flow was EUR -0,0 million for the first quarter 1 January – 31 March 2017, EUR -0,1 million for the comparative period 1 January – 31 March 2016 and EUR -0,4 million for the financial year 2016.

Matching of the alternative key figures to the closest IFRS

EBIT AND ADJUSTED EBIT			
EUR thousand	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
EBIT	5 464	5 030	20 013
Profit on sale of shares of office premises	-	-	-1 106
Fees of legal and other advisors, redundancy payments and paid compensations for damages	46	12	307
Adjusted EBIT	5 510	5 042	19 214

EBITDA AND ADJUSTED EBITDA			
EUR thousand	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
EBIT	5 464	5 030	20 013
Depreciation and amortisation	699	586	2 450
EBITDA	6 163	5 616	22 463
Profit on sale of shares of office premises	-	-	-1 106
Fees of legal and other advisors, redundancy payments and paid compensations for damages	46	12	307
Adjusted EBITDA	6 209	5 628	21 664

FREE CASH FLOW			
EUR thousand	1.1. – 31.3.2017	1.1. – 31.3.2016	1.1. – 31.12.2016
Cash flow from operating activities	4 477	5 295	20 779
Paid interests and other financing expenses	241	267	988
Received interests and other financing income	-1	-0	-7
Paid income taxes	15	-	10
Acquisition of tangible assets and intangible assets	-1 255	-1 605	-4 565
Free cash flow	3 477	3 957	17 204

FORMULAS FOR KEY FIGURES

EBITDA	Operating profit + Depreciation and amortisation
Adjusted EBITDA	EBITDA + (i) M&A related fees for legal and other advisory services, (ii) redundancy payments and (iii) compensations paid - (iv) profit on sale of shares of office premises.
Adjusted EBIT	EBIT + (i) M&A related fees for legal and other advisory services, (ii) redundancy payments and (iii) compensations paid - (iv) profit on sale of shares of office premises.
Net sales from new products and services	Net sales of new products and services is calculated as net sales of those products and services introduced within the past twelve months together with the increase or decrease in the past twelve months' net sales of those products and services introduced within the preceding twelve months as compared to the net sales of those products and services in the preceding twelve months.
Net sales from value-added services	Net sales generated from value-added 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, added by paid taxes and deducted by acquisition of tangible and intangible assets
Cash conversion, %	$\frac{\text{Free cash flow}}{\text{EBITDA}} \times 100$
Net 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, %	$\frac{\text{Profit (loss) before taxes + Financial expenses}}{\text{Total assets - Non-interest-bearing liabilities (average for the period)}} \times 100$
Gearing, %	$\frac{\text{Interest-bearing liabilities - Cash and cash equivalents}}{\text{Total equity}} \times 100$
Equity ratio, %	$\frac{\text{Total equity}}{\text{Total assets - Advances received}} \times 100$



asiakastieto.fi

Asiakastieto Group Plc | Tel. +358 10 270 7000

Työpajankatu 10 A, PO Box 16, FI-00581 Helsinki, Finland | Business ID 2194007-7 | investors.asiakastieto.fi